Energy policy, informal sector and urban household livelihoods: a case study of meat traders in the Western Cape

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DEDICATION

To all the children of working class parents: although our parents can never be able to read what we write, or fully understand our careers, we should find comfort in their struggles to create better lives for ourselves, and the hope that our generation and our children's future will be brighter. After all, education is a critical step towards full emancipation and empowerment of our people.

DECLARATION

I, Nomawethu Qase declare that this half thesis is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master Philosophy (Energy Studies) at the University of Cape Town. I declare that it has not been submitted before for any degree or examination in any other university.

Signed at Signed by candidate .....this day of 12.02.2001.....

Signature Removed

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ABSTRACT

This dissertation highlights the links between energy, informal sector and urban household livelihoods. The critical argument is that energy is a key input in some of the informal sector activities such as street food vending which is dominant in urban environments. The energy needs of the street food vendors are easily visible to the eye, because street food vendors are found everywhere on the street corners, taxi ranks, and other places where there is a proven flow of people. Despite this, the energy needs for informal sector activities are not well integrated into policies and strategies aimed at supporting the development of the informal sector. To address this situation, it is recommended that energy policy makers need to revise the current conceptualisation of the household sub-sector in order to incorporate energy planning for income generation. Furthermore, rather than privilege electricity provision over other energy sources, urban household energy policy planning needs to pay equal attention to other fuels such as woodfuel and LPG. To be able to provide these insights, a case study of meat traders in Gugulethu township in the Western Cape was used. This primary data was supplemented with urban focused secondary data on the informal sector, household livelihoods and energy.

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LIST OF ABBREVIATIONS

LPG	Liquefied petroleum gas
GCMM	Gugulethu Central Meat Market
LED	local economic development
CTCC	Cape Town City Council
DBSA	Development Bank of Southern Africa

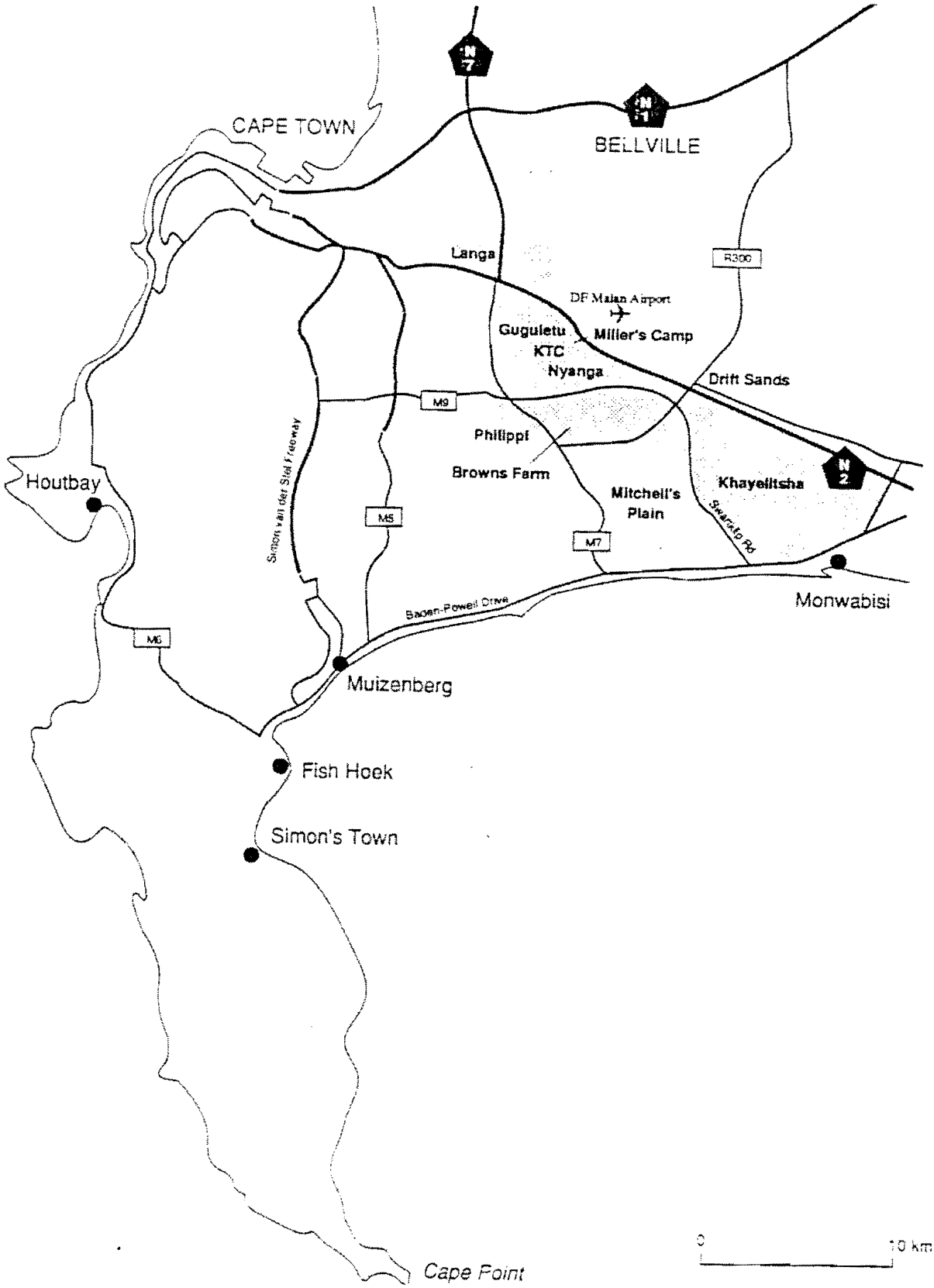

Figure 1: Map of the study area

Source : Adapted from A.S.M Karaan 1993.

1. Introduction

1.1 Introduction

Energy plays a key role in social and economic development. It forms an essential component of production and consumption and is vital to people's material well being. Within households energy is required for cooking, heating, income generation, lighting and communication services. Beyond the household, commerce and industry require energy for growth as well as transportation of manufactured goods and services. It is within this context that energy availability and affordability are considered to be crucial to the well being of society. In other words, energy is pivotal to societal development and economic progress. Market forces and government policies influence energy availability and energy prices. Government policies in particular affect energy investment priorities and energy service delivery, which in turn impact on energy demand and use by different fuel consuming sectors.

In general, though, the constraints that energy poverty imposes on a development strategy are still invisible in the mainstream development debate (Crawford-Cousins 1998: 1). This situation is evident in the debates and policy proposals to support informal sector development in South Africa. To date there is a vast body of literature on informal sector development as well as on energy use patterns in both poor rural and urban households but there is a dearth of literature examining the link between energy and informal sector development. The energy needs in the informal sector are either taken for granted or completely ignored. This thesis demonstrates that men and women engaged in informal sector activities need energy to survive and to be able to sustain household livelihoods, but the energy supplied is often inadequate due to misconceptions about the role of energy in supporting the development of the informal sector. This thesis uses street food vending to address these misconceptions while at the same time highlighting the energy needs within this category of the informal sector.

This chapter is structured as follows: first I underline the importance of the informal sector to household livelihoods in urban environments; secondly, the thesis objectives are highlighted; third is a description of the methodology, which is followed by an outline of the contents of this thesis.

1.2 The informal sector and urban household livelihoods

The informal sector is generally considered to include economic activities that are small scale, often based on family labour, require little capital investment, provide low income, and are not covered by social legislation such as minimum wage or safety regulations, (Young 1992). Various studies suggest that women are dominant in the informal sector – in fact their representation in this sector far exceeds their participation in the economy as a whole (Beall & Kanji 1999; Ndinda 1998; Friedman & Hambridge 1991; Grown & Sebstad 1989). In India 97 per cent of informal sector workers are women, and South Africa women constitute 60 per cent of the informal sector (Ndinda 1998). Women dominate in informal sector activities often because of their low level of skills and education, a situation which both reduces their chances of employment and confines them to the lowest paid jobs either in the formal labour market or within the informal sector. Typical characteristics of the informal sector enterprises include:

> Small size, loose informal structure, ease of entry, requiring very little capital to start up, high flexibility, little or no formal education required, tend to be labour intensive, generally a one person or family business, and depend on business acumen of proprietors. A large percentage of these are operated by women who often use local raw materials or inputs while also catering mainly for local or surrounding markets. (Okelo 1989: 241; Freeman *et al* 1997)

In spite of these generalisations, informal sector activities are not homogenous but very diverse and dynamic. Informal sector activities cover a whole range of activities from manufacturing, petty trading and services. For example, Okelo (1989) points out that in Africa the most common activities are: cloth making and tailoring; food processing and vending; dry cleaning; restaurants and food kiosks; handicrafts; vehicle, shoe and bicycle repairs; grain milling; hairdressing and butchers. Energy is an essential input into most of these activities, even though its significance is usually not acknowledged. According to Okelo (ibid.243) the major constraints to and problems in the informal sector in Africa revolve around financing markets, appropriate low-cost technologies, government policies, data on micro-enterprises and social norms, as well as institutional and legal structures, poor management, weak accounting methods and, in certain areas, poor product finishing.

The informal sector affords poor men and women with less education and formal skills an opportunity to earn a living. This is particularly important because often people migrate to the cities in search of better life and employment opportunities, but, contrary to their expectations, finding a job in urban environments is not always possible. Despite this, life in

urban areas is closely tied to the monetised economy; consequently urban dwellers exclusively depend on cash income to access goods and services necessary for survival. As such urban livelihoods depend on access to employment and income earning opportunities (Beall & Kanji 1999). The informal sector therefore plays an important role in sustaining household livelihoods and in providing essential goods and services that are not otherwise available to the urban poor (Grown & Sebstad 1989: 946). Sustaining urban household livelihoods through the informal sector requires access to various inputs including labour, capital and energy.

As can be seen from this discussion the informal sector is very diverse, and in line with this diversity energy needs may also vary. Energy demand within the informal sector will differ depending on the scale and type of the activities. The latter factors are closely linked to the gender of the entrepreneur. For example, women often dominate in small-scale activities such as petty trading which require little capital to start up, and no formal skills. To be able to carry out activities such as food preparation for sale, women draw on the skills acquired through socialisation and subsequent responsibilities for domestic cooking and household management.

Food processing and preparation is a classic example of an informal sector activity where the role of energy is unquestionable, and where women are generally over-represented. This activity is dominant because the preparation of food products is particularly well suited for small-scale informal production. Hall *et al* (1996) note the following reasons: that food processing requires very little capital requirement, and most equipment is usually available in the domestic kitchen, so the business can be started with only a few raw materials. Because the products are based on local resources, the materials are readily available. Most women know how to make traditional food products so they possess the relevant skills. Local markets are accessible. As a result, in Bangladesh for example, food processing occupies 17 per cent of the informal sector businesses (Hall et al 1996: 66).

Street food vending is one of the dominant activities within this category of the informal sector, and is also the main focus of this thesis. Urbanisation has resulted in the proliferation of street food vendors due to the need to feed large numbers of working people away from their places of residence, such as those who work in construction sites. According to the Intermediate Technology Development Group (ITDG) (1999) street foods are an important source of quick, economical and nutritious food for the urban poor in most developing countries. Furthermore street food vendors prepare the first meal of the day for low-income workers in many countries (Davidson 2000). In Thailand, for example, 20 per cent of households eat most or all of their meals outside or bring cooked food home

(ITDG 1999: 5.3). Street food vending is also one of the most energy intensive activities in the informal sector, which makes access to affordable energy sources a critical issue for household survival. In spite of its significance, energy inputs into the processes of processing and preparing street foods are overlooked due to lack of official recognition of this important segment of the informal sector.

1.3 Dissertation objectives

The main objective of this dissertation is to underline the importance of energy in supporting the livelihoods of poor men and women which are mostly based on the informal sector. Access to affordable energy services is important for the viability of informal sector activities such as street food vending. It is therefore important to integrate energy issues into policies and strategies that are aimed at fostering the development of the informal sector. Second, the aim is to show that, while access to electricity is important, it is by no means on its own sufficient to address the energy needs in the informal sector. The dissertation uses case studies of men and women informal meat traders in Gugulethu Central Meat Market (GCMM) in Gugulethu township in the Western Cape to examine these issues. Through in-depth interviews the following issues are examined:

- The manner in which energy issues were incorporated or prioritised in the development of the GCMM.

- Energy use patterns and preferences of poor men and women involved in meat trading in GCMM. In addition to highlighting energy use in informal meat trading, this question sought to evaluate the role of electricity in relation to informal meat trading as perceived by the informal meat traders.

- Opportunities and constraints that meat traders face in relation to their enterprises, energy choices and location in the GCMM.

1.4 Research methodology

This study used the Gugulethu Central Meat Market to evaluate the manner in which energy issues are incorporated in project planning, and to highlight the centrality of energy to informal sector activities such as street food vending. As such field research was conducted in Gugulethu using in-depth interviews and observation[1]. There were twenty-

[1] See Appendix for the interview questions.

nine women selling red meat chops – mainly beef, ox and sheep liver, lungs, tripe, pieces of meat from cattle heads, sheep intestines and freshly slaughtered chickens. In addition to these women, there were seven sheep-heads traders including men and women. Ten interviews were conducted with meat traders, nine of whom were women. Two of the interviewees were involved in the sale of sheep heads.

Meat traders and sheep heads traders were selected in order to capture the diversity of energy application in the informal meat trade. Interviewees were selected based on their availability and willingness to be interviewed. The interviews were conducted on-site to allow time for observation. Furthermore, doing interviews away from the traders' stalls would not have been in their interests. In addition to the informal meat trader interviews, interviews were also conducted with members of the GCMM Board of Directors. In addition to the field data, content analysis of the existing information has been done, in particular, literature on energy and the informal sector, the energy policy of South Africa, household energy data and urban poverty. This review assisted in providing a conceptual framework for data analysis. In addition to this, documentation of the GCMM project and newspaper cuttings received from Umzamo Development Project and the GCMM manager provided useful background information on the Meat Market.

1.5 Study limitations and research constraints

The assumption behind using the case study technique was that a real life example would demonstrate the interface between energy service provision and the development of the informal sector which will then be useful in informing policy development and implementation. Since there is limited data concerning the links between energy and the informal sector, an appropriate way to develop these links in South Africa is through research based on primary data gathering. The time for gathering large data was limited since this is a half thesis therefore selecting a specific project such as meat trading was a conscious and deliberate strategy.

Due to time constraints field research was confined to the GCMM in Gugulethu in the Western Cape. The meat market is useful in terms of demonstrating the utility of energy in furthering people's income generating efforts, as well as highlighting the variety of energy sources, which are employed. In other words, the case study of the meat market furthers the objective of the study by highlighting the importance of energy to the livelihood strategies of men and women in urban environments. Because the GCMM is a pilot project, it was also hoped that a critique of the project would help to inform the development of

further meat markets, thereby helping decision-makers to make appropriate interventions on time.

There were few problems, however, regarding data collection. The fact that the GCMM is a new project impacted on informal meat traders' attitudes towards interviews. Firstly, although access to the meat market was negotiated with the board members and the traders individually, most respondents were reluctant to participate. Research fatigue coupled with their experiences of negativism towards their work made it difficult for them to be open to the research. Even those who participated, some of them refused to give certain information such as their income from their businesses and other demographic data. Comparing this experience with personal experience in doing field research in the household sector, tends to confirm Karaan's argument (1993) that the informal sector/informal meat traders are a highly sceptical group towards research. Even though I came across Karaan's work later on after starting the interviews, due to time constraints it would have been impossible to follow his suggestion of establishing rapport and developing relationships well in advance before starting with the actual interviews. Second, there was a big issue about the question of reciprocity. Some of the women would participate easily if there were tangible monetary benefits from the investigation. They asked 'are we going to get money if we answer your questions?

This study began to show the links between energy policy, informal sector and urban household livelihoods. However, more in-depth studies are required to highlight both the qualitative and quantitative issues concerning energy and the informal sector. Some of the issues that require further investigation include an audit of the various activities in which energy plays a role, first. Second, there is a need for an assessment of the energy expenditure in relation to the incomes earned in the informal sector in order to encourage optimal solutions, which could are based on cost effectiveness. Third, there is a need to quantify woodfuel demand and supply in urban areas in order to address future needs.

1.6 Dissertation outline and overview

Chapter One provides background and motivation for the current investigation. It underscores the importance of the informal sector as a livelihood strategy in urban environments, and the need for energy to be integrated into policies and strategies aimed at supporting the informal sector in order to ensure sustainable household livelihoods.

Chapter Two provides a conceptual framework for analysing the empirical data. As such, it provides a review of energy data including historical developments in South African energy

policy, and argues for the extension of domestic energy service provision to include energy demand for income generation. The chapter shows that, in the past, discriminatory energy policy planning was dominated by a supply bias with negative consequences for poor households. In contrast, post-apartheid energy policy planning is re-oriented towards a balance between supply-side and demand-side issues, with particular emphasis on the poor, but the problem remains that electricity provision is prioritised over other energy sources. The chapter argues that the informal sector is heterogeneous and, like the domestic situation, requires diverse energy sources to meet energy demand.

Chapter Three links the theoretical discussion with an empirical analysis of the development of the GCMM. This chapter contextualises the study and also highlights the parameters of the investigation. Through an historical analysis of the development of GCMM, it can be seen that energy issues are overlooked in development planning, even when it is obvious that they are central to the process. In spite of the fact that the core of the business in the GCMM is the preparation of meat for sale and obviously energy is one of the critical inputs, energy issues were not adequately integrated into the project plans to improve this meat market.

Chapter Four highlights the contradictions between policy and practice. Through an analysis of energy use in informal meat trading, it is shown that a variety of energy sources are used for different purposes. By examining the rationale for the allocation of energy sources to the different activities it is argued that energy use for income generation is equally influenced by both economic and cultural factors. Because informal meat trading is a customer-driven activity, it may be difficult for traders to shift their energy use patterns from a predominantly wood base to alternatives such as electricity, when customers show a strong preference for meat braaied on a wood fire. The chapter therefore suggests that energy policy planning needs to understand and recognise the context within which energy is used in the informal sector. While access to electricity is important, it is by no means on its own sufficient to address energy demand within the informal sector.

Chapter Five focuses on the opportunities and constraints that men and women involved in the sale of meat are confronted with. A central issue in this discussion is the idea of 'cost recovery' or 'fee for service', which is one of the distinct features of the 'formalisation' of the informal sector. This is explored in more detail with regards to its implications for sustainability of local meat markets, and for its effect on men and women's ability to sustain household livelihoods. This chapter underscores the point that addressing the needs in the informal sector requires a multitude of integrated strategies, which take into account the context, gender, and the need to secure sustainable livelihoods.

Chapter Six provides a conclusion and recommendations. Informal meat trading was used in the study as an example of an informal sector activity whereby a variety of energy sources are necessary to ensure the viability and sustainability of the enterprises. The chapter argues that, for low-income urban households to secure sustainable livelihoods, access to affordable and diverse energy sources is critical. The recommendation is that energy provision for income generation should be integrated into household energy planning with the purpose of improving household livelihoods.

2. Energy policy, household livelihoods and the informal sector: a conceptual framework

2.1 Introduction

While the informal sector plays an important role in supporting urban household livelihoods, the energy needs for income generation are not adequately addressed in energy policy in South Africa. Inadequate access to data, and misconceptions about the role of energy in supporting the development of the informal sector are the main barriers to effective energy policy planning for the informal sector. Based on a review of South African energy policy and the role of energy in generating incomes through the informal sector, this chapter develops a conceptual framework for linking household energy policy with informal sector development. It is important that household energy policy facilitates the provision of safer, healthier and more accessible energy services, so as to improve the quality of life of the end users and contribute to sustainable livelihoods.

The chapter is structured as follows: the South African energy policy and its position on the development of the informal sector is discussed first; the second part discusses urban household livelihoods and energy service delivery; third is a description of the informal sector and the role of energy, which is followed by a conclusion.

2.2 South African energy policy and its position on informal sector development

During the apartheid era, concerns for self sufficiency and energy security dominated energy policy planning in South Africa. Parallel to this, the majority of the population, mainly black people, were excluded from participating in the decision-making processes pertaining to the energy sector. Rather than having public debates around energy policy excessive pre-occupation with secrecy dominated energy policy planning. The apartheid government put measures in place to protect secrecy provisions. For example, Eberhard and Van Horen (1995: 16) note that the Petroleum Products Act (No.120 of 1977) prohibited the 'publication, releasing, announcement, disclosure or conveyance to any person of information or the making of comment regarding the source, manufacture, transportation, destination, storage, consumption, quantity or stock level of any petroleum product acquired or manufactured or being acquired or manufactured for or in the Republic'. Severe penalties effectively maintained secrecy in the energy sector. The negative consequences of past energy sector governance are outlined below.

First, due to the secrecy provisions there was an absence of government commitment to collect and publish data on the energy sector which would encourage public debate and facilitate the development of balanced energy policies for South Africa. Secondly, driven by a desire to be self–sufficient, the apartheid government concentrated its efforts on developing the energy supply sector with little attention to the demand sector (Eberhard & Van Horen 1995). Thirdly, the government catered primarily for the needs of the white minority: as James and Simmonds (1997) point out, there was no political will to provide for the energy needs of the black majority. For instance while subsidisation of electrification for white farmers occurred almost irrespective of their proximity to the national grid, electrifying the homes of black people was not prioritised. Together, these factors are primarily responsible for the inadequacies in energy data as well as knowledge gaps with regard to demand-side issues applicable to the household sector. The relevance of this analysis is that current and possibly future energy policies have to contend with this legacy.

Eberhard and Van Horen (1995) note that two major events spearheaded a re-orientation in energy policy planning and development: the lifting of sanctions in 1993 and the democratic elections in 1994. In the post-apartheid era particularly the period between 1994 and 1999 the Government of National Unity (GNU) paid more attention to re-dressing past policy biases in the energy sector and other sectors. As observed by the International Energy Agency (IEA1996: 21), in the energy sector, '[t]hemes of transparency and inclusion in the policy making process supplanted those of opacity and exclusion, while the policy imperatives of social equity, economic growth and environmental sustainability replaced the siege-engendered pre-occupation with self-sufficiency'.

A new Energy Policy White Paper was developed and published in 1998. The process of producing this policy document is commendable in various respects, especially the attempt to include the previously marginalised sectors of the population in the development of public policy. Traditionally, energy policy planning focuses on supply- and demand-side issues. A supply-side focus concentrates on energy resources and energy conversion processes and technologies, and a demand-side focus concentrates on the users and end-use requirements – thus, as Leitmann (1991) suggests, the main consideration is to know about the end uses and special factors that affect each fuel-consuming sector.

The South African Energy Policy White Paper (1998) attempts to balance its focus between the two sectors. The supply sub-sectors in South Africa are coal, electricity, nuclear, liquid fuels, gas and renewable energy sources (the latter having increasingly gained recognition during the 1990s). Demand-side focus is generally understood to refer to the energy requirements of households, industry and commerce, mining, transport and agriculture.

Energy demand between these different sub-sectors differs in terms of types of energy sources commonly used and the quantity of energy used. Coal and electricity make up nearly all industrial consumption while liquid fuels make up almost 100 per cent of the transport sector. Multiple use is prevalent in the household sub-sector and includes woodfuel, coal, electricity, paraffin and liquid petroleum gas, candles and batteries. The figure below shows the net consumption of energy by different sub-sectors.

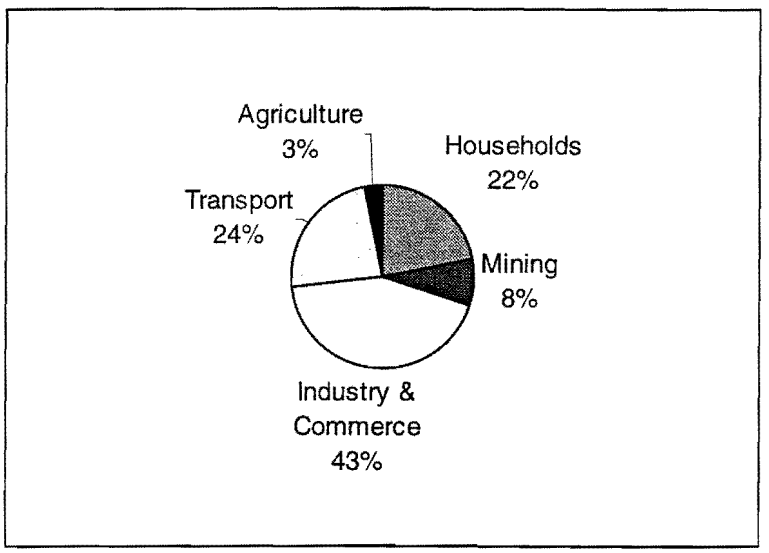

Figure 2: Net energy consumption in South Africa in 1993 by sector

Source: Trollip (1996: 3-6)

Figure 2 above demonstrates that within these sub-sectors, industry and commerce are the highest consumers of energy, accounting for nearly half of the total consumption. Households and transport make up the other half, consuming roughly about a quarter each. Agriculture and mining are the lowest energy consumers among the energy demand sub-sectors. It is important to emphasise that energy demand within the household sector concerns energy for domestic consumption and does not include energy for productive income generating activities. Unlike other sub-sectors, where specific energy sources dominate, low-income households use a mixture of energy sources to meet their energy needs – multiple fuel use is the norm. It is only in middle and high- income households that electricity use dominates.

Given that various demand sub-sectors have very different energy consumption patterns and needs it is not clear how energy demand within the informal sector can be addressed within this current categorisation. For example, can we assume that by addressing household energy demand, the energy needs of the informal sector will automatically be addressed? Empirical evidence given in this thesis shows that such an assumption is incorrect. Yet energy provision for the household sector concentrates on meeting the

domestic consumption needs of the household and neglects the energy needs for productive, income generating activities. The discussion here shows that we have a faulty conceptualisation of a household as a domestic consumption unit. In contrast, a conceptualisation of households as sites of production, reproduction and consumption (Roberts 1991) can address some of the current flaws in public policy planning. For instance, Nickols and Srinivasan (1994: 102) argue that the household is a fundamental production unit in every type of economy. Furthermore, productive activities carried out at the household level are directly aimed at meeting the basic needs of household members. Productive activities encompass all activities with an income earning potential, hence this term also applies to those activities carried out in the informal sector.

2.2.1 Policy objectives of the energy sector and their implications for the informal sector

The Energy Policy White Paper (1998: viii) identifies five key policy objectives for the energy sector:

1. Increasing access to affordable energy services for disadvantaged households, small businesses, small farms and community services.

2. Improving energy governance – which includes improving co-ordination between government departments, government policies, and the various spheres of government to achieve greater integration in energy policy formulation and implementation.

3. Stimulating economic development. A short-term policy priority regarding this objective as stated in the document (ref. page 13) is to encourage energy sector actors to facilitate economic empowerment through the creation of SMMEs and by assisting previously disadvantaged people to gain entry into the energy sector.

4. Managing energy related environmental and health impacts – including the promotion of access to basic energy services for poor households in order to ameliorate the negative health impacts arising from the use of certain fuels.

5. Securing supply through diversity.

It is not clear whether the White Paper defines small businesses to include informal sector activities or only refers to the small and medium enterprises. This confusion arises because the White Paper (1998: 20) further states that

> The development of the commercial activities in underdeveloped areas will be a crucial factor in the economic empowerment of the poor. Commercial activity begins with *small businesses and micro-enterprises* such as shops, entertainment facilities and agro-industrial activity. (Emphasis added)

To address the energy demand for commercial activities, the White Paper leans towards electricity. It states that modern energy services are an essential input for the development of commercial activity, which the electrification programme is addressing where the supply of grid is impractical, costly or delayed, and alternative electricity supplies are required. In other words, electricity is perceived to be the solution to the energy needs for domestic consumption and productive income generation activities which are crucial for maintaining livelihoods in low-income urban households.

2.2.2 Electricity as a solution for domestic energy consumption and commercial activities: lessons from the accelerated household electrification programme

In 1991 Eskom management initiated the accelerated national household electrification programme in response to the changing political environment in South Africa. The GNU as a strategy to further the government's social equity objectives regarding access to services subsequently endorsed this initiative. Eskom and municipalities shared the responsibility for providing electricity to previously disadvantaged communities. It was possible for Eskom to extend electrification to black low-income households because of the excess supply capacity resulting from over-investment in power generation in the past due to the drive for self sufficiency and energy security.

Investment in electrification programme of this scale required large capital investments and heavy subsidies were necessary to implement the programme as the target population could not afford to pay the full connection costs. The average connection costs were around R3 480 in 1994 but new customers were charged R50 for a connection (IEA 1996). This indicates that for each new connection Eskom was losing money with possible negative financial impacts on the utility's revenue. However, Davis (1996: 20) argues that at the time Eskom was able to absorb this financial impact with relatively minor effects on its overall financial position because:

- Eskom is a relatively large utility even by world standards;
- it is vertically integrated and has de facto monopoly in generation and transmission;

- the structure of national demand means that Eskom has an extensive revenue base largely made up of non-domestic consumers. As a result, losses from the electrification programme can be easily absorbed with a cross subsidy of less than five per cent of total revenues required to support the programme

In future, these specific features that counted in favour of Eskom's involvement and support for the programme are likely to change in light of the restructuring process currently underway,[2] and as yet the impacts on the electrification programme are unpredictable. Based on the evaluation of the 1994-1999 electrification programme as well as issues pertaining to the electricity supply industry reform, the National Electricity Regulator (NER 1999) suggests that the mass electrification programme cannot be sustained beyond the year 2000.

Through the accelerated electrification programme the government increased the level of household electrification from 36% in 1994 to 63% in 1998 (DME 1998: 12). In contrast to the increase in the number of connections, consumption of electricity in newly electrified homes remained very low as experienced between 1994 and 1999 (ref. figure 3 below).

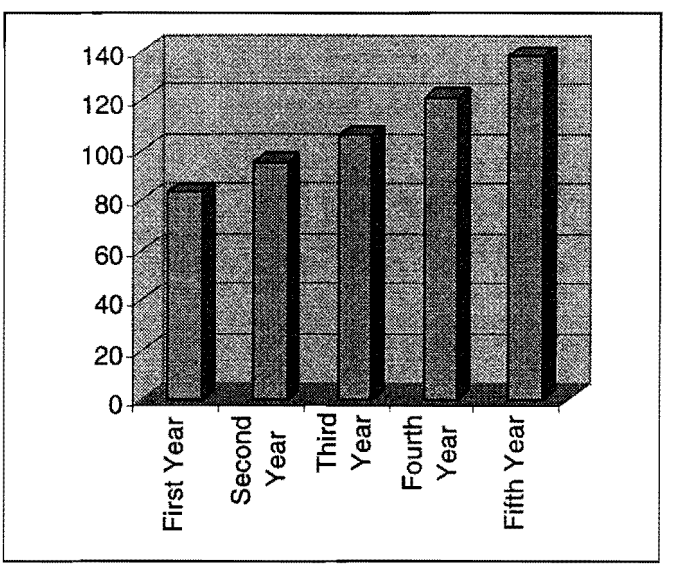

Figure 3: Average consumption for the first five years after connection [kWh/month]

Source: NER 1996

Figure 3 shows that domestic electricity consumption remains low within the first five years of being connected to the grid. The average consumption remains around 138 kWh per

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[2] The restructuring process includes the distribution industry reform process and the inevitable commercialisation/corporatisation of Eskom. Owing to these changes current and future electrification aspects including electrification funding, electrification planning have been delegated to the new National Electrification Coordinating Committee (National Electricity Regulator 1999: 2).

month compared to the required breakeven point of 350kWh. Qualitative studies conducted on energy use in newly electrified urban households indicate that low-income households find it too expensive to use electricity for most activities, particularly thermal applications such as water heating, cooking and space heating. In addition to this, electricity use is only possible if people have access to wiring and the requisite appliances. Without these, the utility of electricity becomes limited – and since these are not supplied or subsidised in any way, low-income households find it difficult to access them (Qase 1997).

It is generally assumed that households spend the first five years accumulating appliances. Yet there are other factors that inhibit full adoption of electricity in low-income households. These include user preferences, food taste associated with cooking food with certain fuels, multi-functionality of appliances – especially coal stoves and paraffin heaters. Appliances that can perform multiple functions at the same time reduce households' energy expenditure, hence they are preferred to single function electrical appliances. The slow uptake of electrification has raised questions about the contribution of electricity to improving the quality of life of the target communities. As Friedman (1992: 9) suggests if social and economic development means anything at all, it must mean a clear improvement in the conditions of life and livelihoods of ordinary people. Since informal sector activities that support household livelihoods tend to be more energy intensive than fuel use for domestic consumption it is inconceivable that poor men and women can use electricity extensively for income generating activities.

Recent studies have shown that households make a distinction between cooking food for domestic consumption and food preparation for sale. Although electricity may be used for domestic cooking, it is hardly used when cooking foodstuff for sale. Similarly, fuels which are considered demeaning when used for domestic cooking (such as wood) are acceptable and even preferred when cooking food for sale (Qase & Annecke 1999; Mehlwana & Qase 1999; White et al 1999). It is therefore important to note that energy use patterns and needs within the informal sector cannot be assumed to fall neatly within the household sub-sector, unless household energy policy and planning consciously recognises and understands these variations. However, including energy demand for production within the household sub-sector will have positive effects on household livelihoods through appropriate provision of energy services that cater for the diverse energy needs within households. It is important to recognise that energy demand for productive activities will vary depending on the scale and type of income generating activities carried out by members of the households. Both factors affect energy choices and impact on the incomes derived from such activities.

2.3 Impacts of energy on the informal sector and household livelihoods

The role of the informal sector is to generate incomes, which are essential for sustaining poor urban household livelihoods. Because energy plays an important role in supporting household livelihoods, this section discusses the impacts of energy and energy poverty on the informal sector and household livelihoods. So far the constraints that inadequate energy service provision imposes on the informal sector has not received sufficient attention nationally and internationally.

In general, there are two ways in which poor men and women use energy to improve household incomes and livelihoods. First, some earn their incomes by distributing energy sources such as coal, wood, charcoal, paraffin and, increasingly, pre-paid electricity cards to domestic consumers and informal sector operators. Both men and women are involved in the marketing and distribution of energy sources even though the scale of involvement may differ between them. For example, men tend to dominate bulk fuel distribution of coal and fuelwood because of their access to resources such as donkey carts, small vans and trucks which are necessary to transport bulk supplies (Dankelman & Davidson 1988; Masondo 1988). In urban areas of South Africa a majority of informal sector operators depend on informal merchants for their supplies of woodfuel and coal (White *et al* 1999; Qase 1997; Masondo 1988). Access to informal fuel distribution systems benefits informal sector workers by eliminating fuel collection time, which enables traders to concentrate on other activities related to the production process.

Second, men and women involved in informal sector use energy as input into their activities. The issues are intertwined but here the focus is on the latter. In other words discussions about informal energy source distribution and marketing become an issue insofar as they can facilitate access to energy services within the informal sector.

Enterprises with the most direct relevance to the poor include the cooking and sale of food mostly in the form of street vending, small-scale manufacturing and trading enterprises. Energy applicability and significance to these enterprises may vary accordingly. However, findings from international case studies conducted on energy provision for the urban poor in Kenya, Mali, South Africa, India and Peru for the Department for International Development highlight that, in general, small-scale enterprises use energy more intensively than households (ITDG 1999). By implication, small-scale enterprises are affected to a larger extent by fuel shortages and price fluctuations.

In general international studies demonstrate that energy plays an important role in supporting the income generating efforts of poor men and women in developing countries, but the viability of these informal sector based enterprises is often threatened by energy scarcity (Cecelski 1995; Dankelman & Davidson 1988). The dominant informal sector activities which are said to be common in Africa such as beer making, food preparation and processing, hairdressing, fish smoking and pottery making depend on energy for their viability. While these activities can benefit from a variety of energy sources including wood, charcoal, grid and solar power and liquefied petroleum gas (LPG), the actual choice of energy is dependent on fuel availability, fuel price and user preferences. The choice of fuel can have positive or negative effects on earnings. Since the profit margins in these enterprises are generally low (Wamukonya 1999) fuel costs can account for a significant proportion of expenditure which is obviously less desirable to informal sector operators.

Energy dependence associated with energy intensive activities affects the cost of production and ultimately threatens viability. To illustrate this, Dankelman and Davidson (1988: 73) point out that in many parts of West Africa women earned significant incomes from producing *dolo* beer. In Botianor, a coastal village of Ghana, a third of women's incomes came from fish smoking. However, as fuel availability decreased, and the cost of production rose, these activities became less viable and some of them were abandoned. In contrast, easy availability of energy at affordable prices could increase productivity in activities such as small-scale manufacturing and food processing and preparation (Parikh 1995). Street food vendors in developing countries often rely on fuelwood, charcoal and kerosene to prepare food for sale. For example, in Kenya street food vendors use sawdust, wood and kerosene, while small baking enterprises prefer to use charcoal. Electricity is mostly used by formal enterprises (ITDG 1999).

2.3.1 The role of electricity

Although electricity is not used extensively in small-scale enterprises, access to electricity plays an important role in the development of these enterprises. Electricity assists in stimulating economic activities. It improves product quality, increases productivity, reduces energy expenditure, and allows diversification of products. These issues are discussed in detail below.

2.3.1.1 Stimulating economic activities

As the discussion above showed, the provision of electricity is often assumed to be a pre-requisite for stimulating economic growth. Even though this assumption is not applicable in all situations, access to electricity can contribute to growth of new small businesses

especially in urban areas. For example a study of the impacts of electrification in Benoni-Etwatwa in South Africa found that new businesses that never existed before electrification, such as welding and funeral undertakers, developed (Africa *et al* 1997).

2.3.1.2 Effects on product quality and productivity

Electricity improves productivity in existing business such as food processing and preparation, spaza shops and sewing businesses by improving efficiency in the production process. Electric sewing machines, for example, are faster than manually operated machines, often twice as fast (HEAT 1996; Hofmeyr 1997), and using them may increase production. Furthermore, due to superior quality lighting from electricity, women involved in sewing businesses are able to produce good quality products even at night – this ability was raised by women in a survey in the Transkei as a key priority for electrification (Tyani 1999: personal communication).

Even though there is a concern whether extending the working hours of women and reducing their sleeping time is of benefit to them and as such should be encouraged, in general informal sector workers work long hours which extend into the evenings. Therefore access to better quality lighting only enables them to operate effectively in the evenings. Skutsch and Nordholt (1995: 75-76) point out that:

> A USAID study in Bolivia found that electric lighting in itself was an enormous boon to women, enabling them to see properly in the evenings in work such as sorting seeds and cleaning agricultural produce, spinning, repairing clothes etc. The women also mentioned the cleanliness of electric lighting compared to dripping candles and sooty kerosene wick lamps which needed constant scrubbing.

In other words, even without electricity women work in the evenings using alternative but inconvenient fuels. Fluitman (1983) observed that women were very positive about the flexibility and opportunities electricity provided in respect of lighting. In all enterprises electric lighting is also accompanied by a better sense of security especially in communities where the high rate of crime often forced businesses to close before dark (White *et al* 1999).

2.3.1.3 Reduction in energy expenditure

Access to electricity reduces energy expenditure mainly resulting from the use of inefficient fuels such as candles, paraffin and diesel generators (Fakira 1994; HEAT 1996; Borchers & Hofmeyr 1997; James *et al* 1999). In a study of the impacts of rural electrification on small businesses in Namibia, James et al (1999) found that electrified cuca shops were likely to

pay N$50 per month for lighting, operating one fridge, and powering a radio and a musical centre. In contrast, unelectrified cuca shops paid between N$104 and N$158 for similar services. Similar findings were observed in Bolivia where it was found that electric lighting worked out three to four times cheaper than candles or kerosene, enabling women to use their freed income for other spending priorities (Skutch & Nordholt 1995).

2.3.1.4 Increase on product variety

The most important contribution of electricity to the informal sector businesses is in terms of access to lighting and refrigeration facilities. Access to electricity enables people who operate spaza shops and taverns/shebeens to include perishable items such as meat, dairy products and vegetables and cold drinks if they can afford to buy refrigerators. In Loskop and Bapong in South Africa, electricity was found to be responsible for an increase in the number of shops, taverns, sellers of refreshments, and butchers (Hofmeyr 1997). In addition, access to better lighting and refrigeration allowed informal traders to display their wares to advantage (Fakira 1994; White et al 1999).

Although mains electricity is not the only source of refrigeration, it is cheaper than other alternatives as demonstrated in Table 1 below.

Table 1: Comparative costs of different energy carrier-appliances for cooling purposes

Typical daily operating costs for gas and electric fridges excluding regular servicing and maintenance	*Electric Fridge (200 litre)* Fridge cost: R2 500 –R3 500 Power use: 2.8 kWh per day Electricity cost per day R0.76 *Gas Fridge 150 litre* Fridge cost: R2000-R2 500 Gas use R0.5 kg per day Gas cost per day: R1.70
Typical running costs for petrol and diesel generators compared with grid electricity excluding regular servicing and maintenance	*Diesel Generator 3.5 kVA set* Set Cost R17 000 Fuel consumption: 0.62 litres/hour Litres per Kwh: 1.1 litre Electricity cost: R1.90 cents per kWh *Petrol Generator 2.2 kW set* Set cost: R4 200 Fuel consumption: 0.8 litres per hour Litre per kWh: 1.6 litres Electricity cost: R2.95 cents per kWh *Grid electricity* Connection cost R50 Electricity cost R0.27

Source: HEAT Handbook 1996

Refrigeration is one of the high value services within the informal sector. Table 1 shows that electric refrigerators are cheaper to run compared to other available alternative energy sources.

From the above discussion, it is clear that there have been fewer studies connecting energy to the informal sector. Furthermore, available studies have concentrated on either woodfuel or electricity. On the one hand, woodfuel studies have focused on the issue of accessibility and the impact of wood fuel scarcity on women's income generating activities. Electrification studies on the other hand tend to emphasise the role of electricity in promoting small businesses development sometimes at the risk of undermining the contribution of other energy sources. Despite this, it is clear that energy plays an important role in ensuring the viability of certain enterprises and in supporting people's livelihood strategies.

2.4 Conclusions

This chapter has reviewed South African energy policy, as stated in the Energy White Paper (1998), in order to highlight its position regarding the development of the informal sector. The analysis showed that household energy policy in South Africa has recently gained attention and energy demand in this sector is primarily viewed from a consumption perspective. However, the argument here is that households are not only consumption units but are also involved in production, which is crucial for the survival of household members. Household production occurs within the homes or away from dwellings and it is primarily women who are involved in managing and performing such activities. Therefore, policy makers need to be mindful of the role of women and household production in sustaining urban household livelihoods. A step in this direction will be to extend the current conceptualisation of household energy demand to include energy services for household production. Incorporating energy service provision for productive activities is important because, as Makan (1995) suggests, energy development is one area where significant gains and immediate needs can be met.

From this discussion it was shown that the current government strategy is to provide universal access to electricity, as the single solution for urban household domestic consumption and for productive activities. The analysis in this chapter indicates that we need to learn from the experiences of the past six years of accelerated household electrification that low-income households are not likely to rely on electricity extensively for either domestic consumption or household production. Low-income households find it expensive to use electricity for domestic heating and cooking applications; as a result they use a mixture of energy sources to meet their different energy requirements.

The primary role of household production is to meet basic needs of household members; as a result easy access to affordable energy sources will go a long way in facilitating the achievement of this objective. In relation to this, it was shown that women in particular tend to be engaged in activities that are energy-intensive such as beer brewing, fish smoking and food preparation for sale. Electricity is not a fuel of choice for such activities because it is often too expensive. As a result men and women involved in informal sector activities tend to rely on various energy sources to meet their production requirement. By highlighting the role of energy in supporting the informal sector, it is hoped that the integration of energy issues into policies and strategies aimed at fostering informal sector development will be encouraged. The analysis here has shown that fuel scarcity, either due to unavailability or unaffordability, threatens the viability of the informal sector and ultimately household livelihoods. There is a dire need to shift the emphasis on electricity to

give attention to other fuels in order to accommodate the energy requirements for household production and to promote sustainable household livelihoods.

3. The Gugulethu Central Meat Market

3.1 Introduction

The discussion in the previous chapters has noted the importance of street food vending in urban economies. In extending this analysis, this dissertation highlights the importance of energy to this segment of the informal sector through a discussion of informal meat trading in the Western Cape province. One of the reasons for choosing informal meat trading for this analysis is to challenge some of the misconceptions about the energy requirements in the informal sector. The purpose of this chapter thus is two-fold. First, the research context is outlined, thereby defining the research boundaries. Second, some of the misconceptions about energy needs in the informal sector at policy level are shown to affect project planning within communities. Through an historical analysis of the development of the Gugulethu Central Meat Market (GCMM) I demonstrate how energy issues are overlooked in project development even when it is obvious that energy is central to the development process. The diverse energy requirements to support informal meat trade are apparent visually, in speaking to the traders and in consumer tastes. So, a key question in this chapter is: how did the planning and development of the GCMM take place without taking proper cognisance of and attention to energy issues?

This chapter analyses the process of the development of the GCMM retrospectively, not to blame those involved, but to locate the strategic moments where decisions on energy were made often implicitly. The interests and motivations of various stakeholders are analysed, including the informal meat traders' participation in articulating their needs. As Samson (1994: 61) suggests:

> Participation, if the community is to be truly empowered is not just a question of planners listening to the community or informing the community of choices and allowing them to choose options, but of the community having its own independent knowledge so that it brings its own substantive generalisations to bear in decision-making.

However, as the outcome of the energy decisions in the GCMM project shows, the participation of the informal meat traders[3] did not mean that they were equals in the process.

The chapter is structured as follows: first, there is an historical analysis of the GCMM in order to highlight the context, which informed the formalisation process. Secondly, the needs, which were identified for the upgrading of the GCMM, are highlighted. Equally important in this instance is the process by which these needs were identified. Thirdly, there is an overview of the formalisation process, its meaning and implications for informal meat traders. In conclusion it is argued that, even though the men and women involved in informal meat trading have always relied on energy for their businesses, the generalisations made about energy use were not informed by the needs and experiences of the informal meat traders. The informal meat traders' energy preferences were silenced and overtaken by the interests of the project planners. As a result the formalisation process concentrated on electricity provision and other energy requirements were overlooked.

3.2 The historical development of the Gugulethu Central Meat Market

The GCMM is located in the middle of densely populated KwaKhikhi Public Hostels in Gugulethu township in the Western Cape province. Gugulethu is one of the oldest African townships with a population of more than 300 000, occupying formal houses, informal settlements backyard shacks and hostels. According to the annual report of the Gugulethu Community Development Corporation (1999: 3) the area is characterised by a high unemployment rate, crime and 'poorly skilled' people. The GCMM provides an opportunity to some of the unemployed, poorly skilled men and women to earn a living from selling their wares. It is a business centre which is used predominantly by women petty traders to sell meat in the form of sheep heads, sheep intestines, red meat, chickens, ox and sheep liver, offal, sausages and vegetables and fruit. In addition there are also a few spaza shops and a (liquor) tavern. The GCMM is mainly used by traders who from the 1960s sold their wares in and around the streets of Gugulethu. It largely caters for the needs of the local low-income community.

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[3] Informal meat traders in the GCMM identified themselves as either *abathengisi benyama* (meat traders) or *abathengisi bentloko* (sheep heads traders). For the purposes of this analysis however, the broad category of informal meat traders is used except where an issue is more applicable to one group.

3.2.1 Women, informal economic activity and state attitude

In the past, the state rendered informal trading illegal; as a result women and men engaged in informal trading were exposed to direct confrontation with the state. They were harassed, intimidated and prosecuted by state officials, and often their wares were confiscated (Goniwe 1998). State officials also considered these informal businesses to be unhygienic. Under these circumstances making a living in the informal sector was difficult.

In addition to the negative attitude towards the informal sector, according to the laws at the time women were not allowed to stay in hostels. Hostel accommodation was designed specifically for male migrants, and was not planned to accommodate migrant's families. In the state view migrants' families 'belonged' to the countryside. This meant 'illegal' street trading was even riskier for women because they were also illegal residents in the cities. In spite of the problems they experienced, women informal traders refused to disappear but found strategies to deal with their problems. According to Goniwe (1998) some women started trading when law enforcement agents had 'knocked off' from work. They also received support from the communities they served including information about impending raids, that enabled women traders to hide their goods away from state officials.

3.2.2 Resistance, space and social organisation

In 1983 a group of Gugulethu informal meat traders occupied an empty site near KwaKhikhi hostels. They managed to gain support from the late Mayor Lubelwana who protected them from police harassment (Goniwe 1998). An independent committee of traders was formed to begin negotiations with the Ikapa Town Council, a black local authority. This committee negotiated the right for traders to occupy the open and unused space. Once they secured the right to use the space, the meat market operated informally.

Even though the GCMM was operating informally, internally it was well organised. There were rules and norms governing behaviour, access and use of space. As Peter (1999: personal communication), the chairperson of the GCMM board stated, 'where there are no rules chaos prevails.' As such there was a committee, which was responsible for the allocation of spaces, resolving conflict (e.g. resulting from stealing or taking other people's goods), and calling general meetings when needed. This committee was given powers to guide conduct in the meat market. Access to a trading space in the market was open to everyone, including those who lived outside Gugulethu.

Duke (1998) suggests that throughout history the GCMM space has served various important functions within the community – particularly as an economic space for the exchange of goods, but also as a social gathering space for people who live in the

overcrowded hostels around the market. The community at large has used this space to hold public meetings.

The meat market was recently targeted for upgrading under the impetus of local economic development (LED) initiatives,[4] which form one of the government strategies to enhance the development of informal sector and other economic activities in poor communities. The GCMM became the first meat market pilot project in the Western Cape. Lessons from this project will be useful for further development of meat markets locally and nationally. In the Cape Town context, for instance, the City Council has already approved the development of meat markets in Nyanga East and Crossroads townships (City of Cape Town 1999). The City of Cape Town (1999:4) suggests that:

> The provision of a structured meat market with appropriate facilities and services for use by informal traders is aimed at eliminating current public butchering practices said to be unhygienic, environmentally degrading and impacting negatively on public health.

Against this backdrop, the way the needs of the meat traders in Gugulethu were identified, and what these needs were, are examined. This analysis directly links to the issue of community representation and participation in decision-making processes pertaining to project development. A central critique of this process is that while energy is one of the most important inputs into the business of selling (fresh or cooked) meat, the energy needs of the informal meat traders were not given adequate attention during the project design phase.

3.3 Identification of needs and priorities for the development of the GCMM

In theory, development initiatives should aim to address the problems as perceived by the target communities and the development agencies at a particular time. Smuts (1999) and Jika (1999) suggest that the idea of upgrading informal meat trading in the townships was first discussed with communities in the African townships of Langa, Nyanga East and

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[4] Zaaijer and Sara (1993: 129) define LED initiatives as a process in which local government and/or community based groups manage their existing resources and enter into new partnerships arrangements with the private sector or with each other to create new jobs and stimulate economic activity in a well defined economic area. Thus the central characteristics in this approach is the emphasis on 'endogenous development' which uses the potential of local human, institutional and physical resources.

Gugulethu, where the Umzamo Development Project[5] (UDP) operated. It was agreed in these discussions that the GCMM would be the pilot project.

Workshops were the main mechanism through which ideas and issues around the development of the GCMM were discussed with the community. The aim of the workshops was to create a common understanding of the development problem among the stakeholders, particularly the informal traders. A series of workshops focused on problem definition. Problems were written on newsprint and then prioritised (Smuts 1999). In addition, the workshops were used to allocate responsibilities to different stakeholders. The main stakeholders involved in the project were the local and international funders, the community, the local government, the architects and builders, community-based organisations and non-governmental organisations.[6]

The main problem identified by meat traders pertained to their environmental conditions – selling meat in unprotected open spaces with no toilet facilities or access to running water. Informal meat traders explained that this situation exposed them to the sun, wind and muddy conditions in the rainy season, with negative effects on their health and businesses. As Peter (1999) explained: 'People would come to buy meat, but when they see our surroundings, some of them would turn away without buying'. In summer, on the other hand, meat got spoiled from too much exposure to the heat.

In the workshops, these problems were translated into specific needs by the negotiating executive committee and the development agencies. This process clarified the objectives of the project for all stakeholders. As summarised by Duke (1998) the interpretation of these needs was as follows:

- shelter from rain, wind and sun;
- provision of electricity for lighting, cooking and refrigeration;

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5 Umzamo Development Project was a non-governmental organisation established in the 1980s. Its primary focus was to improve the living conditions of hostel dwellers in the Western Cape. This NGO was closed during the course of this investigation.

6 In particular the key stakeholders were the Western Cape Provincial Reconstruction and Development office, Gugulethu RDP forum, SANCO area committee, Informal meat traders, Cape Town City Council, Umzamo Development Project, and C.S. Studio architects. Funders included the British High Commission, Eskom, the Development Bank of Southern Africa and the Canadian embassy. Project funding in the first phase amounted to R1.7 million.

- provision of adequate storm water and drainage services (this had to comply with the minimum health regulations);
- proper floor finishes (also to comply with health regulations);
- provision of fixed working tables and selling counters with impervious finish to handle fresh meat, and
- provision of fresh water supply

The project thus focused on the provision of infrastructure.

Although all the needs identified were immediate, project planners had to prioritise due to insufficient funds. As a consequence some of the solutions to the identified problems could not be implemented immediately. For example, collective cold storage required to keep meat fresh could not be provided within the first eighteen months of the project, including the period when field research for this thesis was undertaken. In addition to immediate needs, project planners also identified some medium-to-long-term needs. First, regarding human development, the project planners aimed to provide informal meat traders with training to improve their business skills. It was assumed that such training would benefit businesses because informal traders would be able to provide better services to customers. In turn, improved services would increase customer turnover and ultimately improve the traders' incomes.

To address these long-term needs, the plan of the building was made flexible enough to accommodate future needs such as formalisation of the meat market into a business environment with adequate spatial requirements for single and collective traders (CS Studio architects 1998). Project planners also hoped that waste collection and waste recycling within the market would eventually develop and become a sustainable business in itself. Existing informal traders in the meat market were fruit and vegetable sellers, spaza shop operators and traditional African beer traders but informal meat traders dominated numerically. Although informal meat traders were the group predominantly targeted the actual plans were to integrate all the traders in the upgraded structure taking into account their diverse spatial requirements.

Informal meat traders in the meat market consist of two groups, those who sell cooked sheep heads and those who buy chilled red meat chops and liver and braai these for sale. The latter group also sells raw tripe and pieces of meat from cattle heads. Energy is required for cooking and braaing meat and woodfuel is the most commonly used energy

source for both services. Sheep heads traders use large metal drums for cooking sheep heads, which require ample space and low fireplaces.

With regard to energy planning, project planners envisaged a shift from the initial cooking and braaing methods, which depended heavily on woodfuel to more 'efficient' new methods such as electricity. Because of this assumption, the project only provided electrical infrastructure to the meat market. In the interim, traders were advised to continue ensuring their own supplies of woodfuel and LPG.

Rather than discuss the energy issues in the workshops, Eskom, the national electricity utility, was given the responsibility to take care of *energy* issues as classified by the project planners. According to Smuts (1999), energy issues were not adequately integrated in the workshops because none of the project planners were energy specialists. By not discussing the energy issues in the workshops, the project missed an opportunity, however, to allow informal meat traders to articulate their preferences and to influence energy decisions based on their experience and knowledge of their businesses. In addition, the devolution of energy decisions to Eskom overlooked the possibility of their institutional bias and their promotion of electricity over other alternative energy sources. Instead of addressing the question of energy use in its current context in the meat market, the project planners and Eskom attempted to promote the use of electricity.

Eskom was approached for funding and they offered to supply bulk electricity infrastructure to the GCMM. In financial terms, this contribution amounted to R100 000. Although Eskom as a parastatal institution had a moral obligation to supply the GCMM with electrical infrastructure, the support they offered was also driven by business interests. Their initiative to support small business development was Eskom's attempt in part to improve the utility's revenue (Eskom 1996). This initiative was launched in 1993, influenced by the utility's loss of revenue through the accelerated household electrification programme, which began in 1991. As Chapter Two showed, instead of the estimated breakeven point of 350kWh per month, the average electricity consumption in newly electrified low-income households hardly reached 80kWh per month. Given this situation, Eskom management reasoned that the low consumption of electricity was a function of unemployment and poverty (Rogerson 1997). By supporting the development of small business in previously disadvantaged communities, the utility would be increasing incomes in those communities whilst also increasing their sales. According to Eskom (1996) itself the primary motives for supporting small business were economic rather than philanthropic.

Rogerson (1997: 15) quotes three different strands of activities linked to Eskom's small business development initiative as highlighted by Mantle and Ryan (undated). These are:

> First, the social investment and harmonisation, which is driven by the utility's human resources' group and is primarily centred on community based education and training. Second, is an inward programme, which is directed towards increasing the amount of Eskom's direct purchases from existing black-owned small businesses. The third initiative sought to promote the development of new small, medium and micro-enterprises.

It is through this third initiative, mainly directed at townships, that the GCMM was supported by Eskom. Rogerson (1997) notes examples of the types of businesses that Eskom initiated, which include building, dry cleaning, food preparation, cabinet making, bakeries and welding. In addition there are several SMMEs which are specifically linked to Eskom's electrification drive, including the contracting out of schools electrification, planting of poles for electrification, small appliance repairs and the establishment of vending agencies for the sale of electricity meter tokens,

In the GCMM, Eskom provided bulk electrical infrastructure and donated electric braais for meat traders to use instead of the wood-fired braais (Peter & Smuts 1999). To enable people to use these electric braais, all the colons in the open area were fitted with plug points. The GCMM was also fitted with an electric hot water geyser to enable meat traders to clean their tables with hot water for hygiene purposes. Ironically the hot water geyser was used only for a few months until the Centre Manager received their first electricity bill. Thereafter it was switched off permanently to reduce electricity consumption and expenditure (Jack 1999).

3.3.1 Representation and participation in non-energy decisions

The discussion above underscores the point that energy was not discussed in the planning workshops, so energy decisions were not informed by the needs and preferences of the informal meat traders. In spite of this, the informal meat traders played a significant role in influencing some of the decisions taken during the upgrading of their meat market. Informal meat traders and other members of the community were involved from project initiation stage. Umzamo, as an non-governmental organisation (NGO), played a key role in facilitating the development of the GCMM, and this was based on their experience in working with the hostel communities in the African townships of the Western Cape, including KwaKhikhi hostels next to the GCMM.

Since broad consultation workshops were organised for the community to discuss the process of upgrading the meat market and to select the site for the pilot project, the community helped in identifying some of their needs. According to Goniwe (1998) and interviews with Peter and Smuts (1999) the community had their say. In particular, the traders played a key role in decisions about building design, use of local labour in the project, and they participated in fundraising activities. With regards to the design of the building, for instance, Smuts (1999) argues that traders rejected the initial design presented by CS Studio architects and indicated that they prefer a garage-like structure. Peter, the chairperson of the GCMM board and other informal meat traders confirmed this point.

A firm known as PJ Designs was appointed to manage the on-site construction, and the community insisted that local labour should be utilised in the construction of the building. The issue of involvement by the broader community and especially the employment of local labour for construction led to the formation of a building committee early in 1997. This committee was made up of members of the traders, South African National Community Organisations (SANCO) area committee, Umzamo Project Committee, ward councillors and the Gugulethu Reconstruction and Development Programme (RDP) Forum. The role of the building committee was to monitor and advise on the construction process and to ensure that local labour was available for and employed during construction. As a consequence people from the Gugulethu community filled all the construction jobs for labourers and skilled artisans. The building committee reported back to the community through general meetings. Some of the members of this building committee have become members of the GCMM board of directors. Their experience in this committee helped build their capacity to participate in the management of the GCMM. There was a fair gender representation in the structures that were set up to implement the project.

To initiate the project, funding was required. The traders obtained R50 000 from the former Ikapa Town Council but this was extremely inadequate considering the scope of the project. To get off the ground, the project relied on partnerships with the public and private sector and fundraising. The project obtained a total of R1.7 million in loan and grant funding. Meat traders were involved in the fundraising efforts, but, according to Jika (1999), Carin Smuts was their backbone: she identified organisations for targeting and pulled in some women and men traders to go with her to those organisations so that they could present their case. Peter (1999) concurs that this was an empowering process to the members of the executive committee who were involved in the fundraising process.

3.4 The upgrading and formalisation of the GCMM

The CS Studio architects carried out a preliminary feasibility study in 1995 with funds from the local authority. Given the identified needs, the upgrading of the GCMM focused on the provision of shelter to protect traders and their wares from elements, while at the same time providing the traders with the necessary infrastructure and services. The building itself consists of an open trading area of approximately 2000 square meters with a cement floor and a roof. A row of eight shops including a tavern is located at the rear of the building. Public toilets are located at one end of the building. The entire area is equipped with roller shatter doors and gates so that the building may be closed at night for security.

The open floor area accommodates a selling and drinking area for 20 traders selling *umqombothi* (traditional African beer), tables for 10 vegetable sellers, and about 70 meat traders and slightly larger tables for 18 sheep heads traders. In total, approximately 118 traders can be accommodated in the market. However, during the field research, the GCMM was not operating at full capacity: only 56 traders operated from it. *Umqombothi sellers* traders pulled out of the GCMM soon after it started operating because they felt that it did not meet the needs of their customers. For example, when it is cold, beer drinkers preferred to sit around the fire and this was not possible inside the formal structure. In consequence, they felt that they were facing unfair competition with people operating outside the meat market (Jack 1999).

A critical feature of the upgrading of the GCMM was the formalisation process, a key departure from the informal operation which dominated the meat market since the 1960s. This formalisation process was combined with licensing and centralisation of informal meat trading. In the GCMM these processes involved limiting trading to a demarcated space and the formation of a legal entity. Nel and Lindie (1996) suggest two forms of development institutions that can be contemplated with respect to carrying LED initiatives forward, namely a Trust and a Section 21 company. Given these options, traders in the GCMM were advised by their lawyer to form a Section 21 company. This choice would enable them to buy, sell or lease property, to manage and/or take ownership of the market. In relation to this, the traders decided to lease land from the Cape Town City Council (CTCC) on a 40-year contract. They paid a capitalised up-front rental of R50 000 donated to them by the former Ikapa Town Council. In addition, members of the Section 21 company (the traders) contributed R50 each towards registration and R5 per person for opening up the organisation's bank account in 1995 (Goniwe 1998). Duke (1998) notes that the GCMM was officially registered as a company in December 1996, marking the transition from informal to 'formal' trading. In addition to signing up the lease and overall regulation, the

challenges that formalisation posed to the traders included paying regular rent and meeting higher standards of sanitation (Duke 1998).

Rents are in line with current government's emphasis on full cost recovery. Bond *et al* (1996) note that in the post-apartheid South African context the urban development strategy has moved towards full cost recovery and, where this is not possible, advocates much lower service levels. In the GCMM situation it was argued that rent payments were necessary to pay back the Development Bank of Southern Africa (DBSA) loan (which all the traders were well aware of) and to ensure the sustainability of the meat market. The principal loan from the DBSA was R500 000. Informal traders agreed to the following rent levels: R50 per month for *umqombothi* and vegetable and fruit sellers, R75 per month for meat and sheep heads traders. Monthly rent for shops ranged from R300 for a small one-room shop, R450 for a shop that has a storage place, and R1000 for a two-roomed tavern adjacent to the drinking area. Since public recreational facilities are inadequate in African townships, some entrepreneurs have used this opportunity to introduce pool tables in the GCMM. Pool table operators pay R100 per month. Young boys and men who came to socialise and drink at the GCMM were the main users of the pool tables. As such the upgraded meat market also maintained and even improved on the social function of the meat market. However rent payments have been a thorny issue which require further negotiation between the informal meat traders and the management. (This issue is discussed in Chapter Five.)

The GCMM hired two employees, a caretaker and a manager. The caretaker took responsibility for the security and cleanliness of the meat market. More specifically the caretaker had to lock the shatterproof doors at night and turn off the electric lights, in addition to keeping the meat market clean. Cleaning excludes the public toilets, which are the responsibility of the CTCC. The CTCC takes full responsibility for the general maintenance of services such as water supply pipes, cleaning of public toilets and waste removal at the GCMM. They have employed people to clean the toilets. The manager assumed responsibility for the day-to-day running of the GCMM. It was expected that with time the manager would also take on the fundraising responsibilities (Smuts and Jack 1999). The meat market operates from Monday to Sunday for the whole day, and is supposed to close at 22h00 daily.

3.4.1 Management of the GCMM

A board of directors oversees the smooth running of the centre, meeting once a month. The board consisted of representatives from Umzamo, the CTCC, and the traders. The two

organisations aimed to provide ongoing support to the meat market and the traders, but Umzamo members withdrew when their organisation was closed. Local government is generally identified as a lead agent in LED implementation, but the CTCC was recruited as a partner only after '80 per cent of the work had already been done'. However, when they joined the project, 'the CTCC worked very hard at getting involved in a constructive manner' (Smuts 1999). All the interviewees argued that the CTCC was invited primarily because the GCMM required a surety to access a substantial loan from the DBSA – which stipulated that the GCMM would be granted a loan only if the CTCC agreed to be the surety. In return, the CTCC requested to be represented on the board, and forwarded four-members (three men and a woman). Peter (1999) suggests that:

> By asking to be represented on our board, they wanted to be seen as participating in the project and also to avoid more people asking the City Council to stand surety for their 'private' businesses, that is, those who have heard that the GCMM was given this support.

The CTCC has an interest in the survival of the project, because if anything goes wrong they will have to pay back the DBSA loan (Pityana (1999). The former black local authority, Ikapa Town Council, which has now been re-incorporated into the CTCC owned the land on which the meat market was built. Both the land ownership status and the surety obligation has given the CTCC an upper hand in the management and control of the GCMM. At the same time their involvement in the GCMM will provide the CTCC with useful experience for the development of further meat markets in Nyanga and Crossroads.

In addition to the board and the manager there is an executive committee, consisting mainly of women, which is responsible for the day-to-day running of the GCMM. Traders also hold regular meetings attended by the manager. Decisions are taken at the general meetings, and the manager is accountable to both the general meeting and the board of directors.

3.5 Conclusions

It is important for communities to participate meaningfully in decision-making processes that pertain to their own development so that they can identify with development outcomes. If the community participates in development processes the interventions are likely to be more relevant to their needs. Furthermore, meaningful participation contributes to the empowerment of the concerned communities. The discussion on the development of the GCMM shows that the informal meat traders were involved in all the stages of the

upgrading and formalisation of their meat market. As a result, they were able to influence some of the decisions aimed at addressing their needs., particularly the non-energy related decisions. The meat market was built according to their specifications and local labour was utilised on demand. Some of the women were also involved in fundraising for the meat market. On the whole, being included in the process helped to build a strong sense of ownership of the project.

Decisions on energy issues present a different story however. Even though informal meat traders have always relied on energy for their businesses, the generalisations made about energy use were not informed by their experiences and needs. Instead of providing the meat traders with easy access to a mix of energy sources, the project planners provided electricity and advised traders to secure their own supplies of LPG and woodfuel. This was based on the assumption that the current energy use patterns would shift from the prevailing woodfuel base to electricity. Chapter Four analyses the traders' energy practices and the consequences of the removal of energy discussions from the project planning and participation process.

Figure 4: Gugulethu Central Meat Market

4. The intricacies of energy use for income generation

4.1 Introduction

This chapter answers three interrelated questions regarding the energy use patterns and preferences of informal meat traders: What energy sources are used by informal meat traders? How are these energy sources used, and why do meat traders prefer to use them? The aim is to underscore the variety of energy services required in the informal meat trade and the complexities surrounding fuel allocation and choice. The discussion therefore locates fuel use within the socio-economic context of the users and also acknowledges the significance of human agency in fuel-related decisions. The analysis shows that fuel use for income generation as represented in informal meat trading is complex, and energy policy makers need to be sensitive to the nuances shaping fuel allocation for productive activities.

To answer the above questions, the first section of this chapter outlines the characteristics of informal meat trading. This discussion underscores the point that informal meat trading particularly in the African townships of the Western Cape takes different forms and it is the character of the business that defines the role of energy within the informal meat distribution system. Secondly, the chapter describes and analyses the energy services required by informal meat traders in relation to the energy sources used and examines how each of these energy sources are acquired. Thirdly, the chapter interrogates the complex reasons underlying fuel choice and allocation. This discussion also examines the energy-related problems that informal meat traders experience in the GCMM and how such problems influence their fuel-related decisions and choices. Based on the experience of informal meat traders, the conclusion emphasises the importance of energy to the livelihood strategies of low-income urban communities.

4.2 Characteristics of informal meat trading in urban South Africa

Two forms of informal meat trading dominate urban environments. First some informal meat traders buy livestock such as chickens and sheep and slaughter them for sale. These animals are often slaughtered on the sidewalks next to the informal meat traders' stalls. In the case of sheep and cattle, the carcasses are butchered into tradable cuts and these traders maximise their profits by selling every bit of the slaughtered sheep. The second group is made up of informal traders who buy chilled meat such as red meat chops,

sausages and offal from formal butchers to re-sell to consumers in their neighbourhood. These traders sell fresh meat or add value by cooking and braaing meat chops, sheep heads and offal. They tend to specialise - some of them sell tripe or sheep heads only; and others sell meat portions and offal excluding sheep heads. This investigation focused on this second category.

A majority of the informal meat traders as observed in the GCMM are women, while according to Karaan (1993) men dominate informal butchering. The gender differences in informal meat distribution can be explained in terms of the demands associated with buying sheep for slaughtering and the slaughtering process itself. Firstly, people who purchase sheep for sale require access to private transport and a majority of poor women are unlikely to have this. The second reason has to do with the gender division of labour, whereby men and women are allocated different tasks based on socially constructed notions of what is 'right' for either men or women to do. Traditionally in African culture slaughtering of livestock, except poultry, is generally regarded as a male responsibility. In other words, both lack of access to resources and a culturally defined gender division of labour are the main reasons more women than men tend to sell chilled meat. The significance and impact of energy to these two groups of informal meat traders varies accordingly.

Informal butchers specialise in selling fresh meat whereas informal meat traders sell chilled but fresh or cooked meat. Karaan (1993) argues that, in order to meet the demand for 'fresh' meat, slaughtering occurs around 10h00 and at about 15h00 during the week. The time for sheep slaughtering coincides with established peak business trading hours. A majority of those who buy meat in the morning are housekeepers, mainly women. The afternoon slaughtering targets commuters on their return from work. To keep up with the demand for 'fresh' meat, informal butchers also buy limited stock so that meat can be sold out by the end of the day. In practise, meat is sold within 3-4 hours after slaughtering which minimises the chances of contamination and spoilage. This mode of operation reduces the need for refrigeration facilities, which is the basic energy requirement for those engaged in the sale of perishable food items especially in hot weather. Access to and use of refrigeration facilities helps to prolong the shelf life of perishable products whilst also maintaining product quality.

4.3 Energy service requirements in the informal meat trade

Informal meat traders in Gugulethu cater for customers who want to buy raw meat and offal to prepare at home, but they primarily sell cooked or braaied meat. Energy is essential

for the survival of their businesses. Typically the main energy services required include lighting, refrigeration, fire for braaing red meat chops, liver, and sausage, water heating, cooking and re-heating. To meet these energy requirements, informal meat traders use a variety of energy sources such as woodfuel, LPG and electricity. (The issue of refrigeration or access to cooling facilities is discussed in Chapter Five, as one of the constraints facing informal meat traders.)

4.3.1 Braaing of meat using wood fire

The meat market plays an important role in the social life of the Gugulethu community. Customers buy braaied meat to eat at the market or take it home but a majority prefer to eat at the GCMM. Eating is informal, because there are no tables or chairs provided. From observation it was clear that braaing and sharing of meat is a social activity enjoyed by men, women and children. Both men and women were observed sharing braai meat chops and liver. However, only groups of young, presumably unmarried women were observed eating and sharing meat at the GCMM, perhaps due to the fact that in general women with family obligations tend to prioritise family welfare more than men or other women who do not have similar obligations. This analysis implies that older women who bought braaied meat carried it home to eat with other household members.

As the discussion of the history of the meat market showed, informal meat traders use wood for preparing a braai fire and this tradition still prevails in the GCMM despite access to electricity. Customers who choose to braai meat at the GCMM use fires that are already prepared by meat traders. All the customers paid the same price for meat or liver whether they used the fire or not. During the period of the investigation all the women meat traders individually owned braai stands made from cutting a metal drum vertically into two parts. However, there were plans to build a central fireplace for meat traders and sheep heads traders respectively.

4.3.2 Manual chicken plucking using hot water

Some of the women traders sold freshly slaughtered chickens during weekends. A majority of consumers in the African townships of the Western Cape place a high value on freshly slaughtered chickens. The chickens are preferred for Sunday family meals and are in demand from people who travel between urban Cape Town and the predominantly rural Eastern Cape province which is a home to a majority of the 'migrants' in the Western Cape province. The case study below shows the demands associated with the sale of freshly slaughtered chickens.

Case study

Edith, is a married woman aged 57. She dropped out of school in standard six. Her husband stays at Hewu in the Eastern Cape where he is looking after the house and livestock. Edith sends him about R200 every month. Edith and her extended family occupy two backyard shacks in Gugulethu where they pay a monthly rent of R100 per month for both shacks. The second shack is specifically used as a bedroom for her two sons. Her two eldest daughters aged 33 and 25 are involved in informal trading at the GCMM.

Edith works at the CMM from Monday to Sunday, and when she is unable to be at her stall, her son who is at high school often helps her. In return she buys him clothes. On Mondays to Thursdays she sells liver and offal, excluding sheep heads. She includes beef chops and chickens during weekends. She says that customers in the vicinity of the meat market like offal during the week and prefer chickens for Sunday lunch.

She buys ten chickens at a time between R15 and R20 each; once slaughtered the chickens are sold for R25 or R30 depending on the size. She and other women ask young boys to slaughter the chickens. She brings a metal drum from home so that she can boil water for plucking the chickens. Slaughtered chickens are immersed in this hot water so that it is easy to pluck feathers, an activity, she and other women do manually. Once all the feathers have been removed, chickens are displayed on the tables to attract customers.

Women selling freshly slaughtered chickens buy live chickens from various farms around Phillipi and Mitchell's plain using hired transport (see figure 9 for the location of these places in relation to Gugulethu). The chickens are slaughtered and plucked before they are sold to customers, and the profit margin is R10 per chicken.

4.3.3 Sheep heads preparation using wood fire and LPG

Sheep heads traders require hot water services for cleaning sheep heads as well as for cooking. The process of cleaning sheep heads is not only tedious but also water- and energy-intensive. The first step is to shorten the wool by cutting it off with a pair of scissors so that it is easier to burn. Sometimes if there is blood, this has to be washed off first and lukewarm water is preferred, especially in winter. The second step is to place sheep heads in the fire to burn off the remaining wool as demonstrated in figure 5.

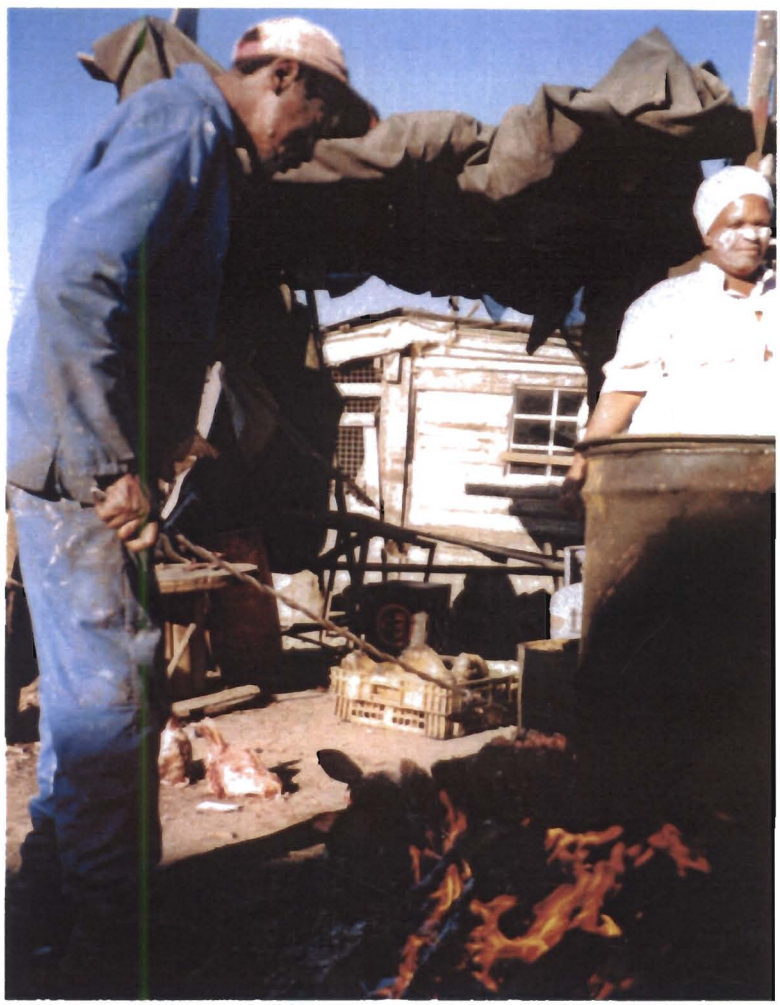

Figure 5: Simultaneous use of wood fire to burn wool from the sheep heads and heat water

Figure 5 shows the combined use of fire for burning wool and heating water required to complete the cleaning process. Sheep heads have to be carefully watched. Once all the easily visible wool is burned, a knife or any other sharp object is used to scrape off the soot. In addition, a gas-fired blowtorch is used to burn off the remaining wool from the curvatures, making sure that there is a smooth appearance (refer to figure 6). Extra care is required to ensure that the skin is not burned.

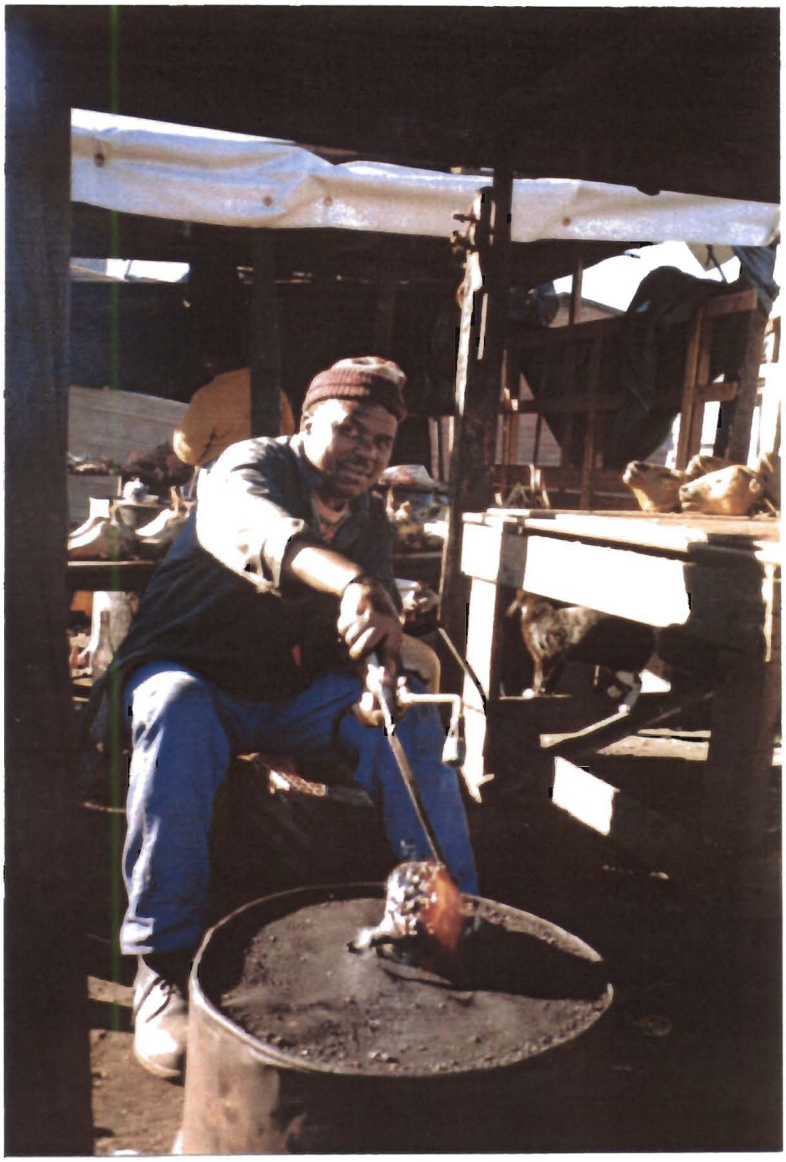

Figure 6: Cleaning sheep heads with a LPG blow torch

Sheep heads are then immersed in hot water for thorough cleaning, which involves hard scrubbing with a pot scrape to get rid of all the soot and to create a smooth appearance. In other words, if there is more wool left, the previous steps will be repeated until the sheep heads are completely clean. Cleaned sheep heads are then cut open in half, and rinsed thoroughly with hot water. When the cleaning process is completed sheep heads are placed in metal drums containing lots of water for the cooking process to start. Metal drums are the main cooking utensils preferred for heating large quantities of water and cooking sheep heads. These metal drums form ideal cooking utensils because sheep heads require a large pot space.

As can be seen, the sale of sheep heads is a tedious, labour-intensive process, hence fewer people sell sheep heads than meat chops and offal in the GCMM. In addition to the human energy, the sale of sheep heads is also the most fuel-intensive activity. It takes three to four hours for the sheep heads to cook. Sometimes they have to be re-heated.

4.3.4 Lighting

Informal sector work by its very nature demands extended work hours. Informal sector workers such as the informal meat traders in Gugulethu depend on people working in the formal sector for selling their wares, and in Gugulethu people return from work early in the evening owing to the location of the township far from a majority of people's work places. A majority of informal meat traders in Gugulethu arrive at the meat market early in the morning and leave at night. During the day there is no problem with lighting because there is natural sunlight but in the evenings it is difficult to sell without access to appropriate lighting. Therefore access to lighting is a basic requirement.

Before the upgrading of the GCMM, the informal meat traders relied on LPG lamps and candles, which they found to be inconvenient and costly. Vuyiswa in particular, argued that: 'In the past I used a gas lamp with glass shades. These glass shades used to break frequently so maintaining them cost me a lot of money. All in all I found the use of gas lamps too expensive.'

In addition Mangwanya explains that on windy days they were forced to leave the meat market earlier. With the use of these fuels each trader had to bring his or her own candles or LPG lamp to the meat market for use in the evening. Because of access to electric lighting, informal meat traders are relieved of the burden and the inconvenience of relying on their own fuel supplies for lighting. Traders share the costs of electricity. In general the informal meat traders agree that electric lighting has helped them a lot by making it easier to sell their wares into the evening.

In contrast to the view that electricity may be responsible for extending the working hours of those engaged in income-generating activities, the situation of informal meat traders shows that working long hours did not result from electrification. Instead electricity contributed to saving their incomes spent on inconvenient fuels, and enabled the traders to operate *better* in the evenings. For example, the women noted that with access to electricity they feel safer in the meat market and less prone to fraudulent note payments. Table 2 below summarises the energy source and end use combinations in the meat market.

Table 2: Linkages between energy sources and different activities in the informal meat trade

Main activities	*Energy services required*	*Energy sources used*
Meat braaing	Braai fire	Wood
Chicken plucking Sheep heads sale	Hot water Chicken plucking and cleaning sheep heads Hygiene – cleaning tables used to display meat, offal, sheep heads and chickens	Wood
	Fire for burning wool from sheep heads during the cleaning process	Wood & LPG
	Cooking & re-heating sheep heads	Wood
	Lighting	Natural sunlight during the day & electricity at night
	Refrigeration	Electricity

Table 2 reinforces the point that energy requirements for informal meat trading are diverse and that energy is central to the viability of this business. Furthermore, the dominance of wood shows that it is the main fuel of choice for cooking food for sale in poor urban communities of the Western Cape. Energy policy needs to take cognisance of this preference.

4.4 Accessibility of fuels to informal meat traders

The informal meat traders rely on both informal fuel markets and formal fuel supplies to access fuels. As indicated already, the GCMM is electrified and electricity fees are included in the traders' monthly rent. Thus the discussion here primarily focuses on the acquisition of woodfuel and LPG.

To make fire, each trader buys his or her own wood and planks. The planks are required for igniting the fire because sometimes the wood is not properly dry or the wood logs are too big to ignite easily. As a consequence, the fires release a lot of smoke and take a long time before being ready for use. As a precaution, therefore, everyday informal meat traders prepare wood fires on arrival at the meat market and keep them burning until leaving the meat market, usually in the evening. Although this might not be an efficient use of wood resources, it is the only convenient way to keep customers satisfied.

Owing to the demand for woodfuel by street food vendors in urban African townships, there is a well-established network of informal wood merchants who collect and deliver

wood. Because wood collection is time-consuming, and it is not easily accessible, it is a commercialised activity. Wood fuel collection and distribution for sale requires access to transport in order for wood merchants to collect bulk loads, to save time and energy. In the Western Cape wood merchants are mostly men who use transport ranging from supermarket trolleys to donkey-driven carts and motor vehicles such as *bakkies* and trucks. At the GCMM, wood merchants mainly use supermarket trolleys for delivering wood and planks. A supermarket trolley full of woodfuel or planks sells at R15 and R10 respectively.

Figure 7: Typical wood deliveries in the meat market

There is a system of interdependence between food vendors (including informal meat traders) and wood merchants. Although the system is informal it is very effective and efficient. The merchants bring woodfuel and planks to the GCMM everyday, and they are motivated by the fact that they have a stable customer base. Informal meat traders on the other hand save time and labour by purchasing woodfuel delivered by the merchants. In the case of sheep heads traders, Vuyiswa and Dlamini emphasised that they buy wood because selling sheep heads is a very demanding and time-consuming job. To elaborate on this, Dlamini pointed out:

> As you can see, this is a labour intensive activity and at the end of the day I must have done a lot of things. For this reason I prefer to save time by purchasing

woodfuel from the wood merchants. This requires cash because all our transactions are cash based.

His activities include the process of cleaning sheep heads, which is tedious and repetitive. Cooking sheep heads takes time, which results in high fuel consumption – further intensified by the use of open fires. When it is windy, wood fuel finishes quickly and some of the useful heat from the wood fire escapes into the atmosphere. Sheep heads traders buy wood almost every day, spending between R80 and R125 per week on these fuel supplies. Similarly, informal meat traders spend a significant portion of their earnings on purchasing wood fuel. Manyawuza pointed out that she buys two supermarket trolleys of woodfuel at a time at R30 in order to survive for three days in a week. This means that in total she spends just over R70 per week on woodfuel, including planks. For the women who sell freshly slaughtered chickens over weekends the energy expenditure is increased due to the water heating requirements. For instance, Mangwanya said that she buys an additional trolley of woodfuel specifically to heat water for chicken plucking.

In addition to purchasing wood from the merchants, other people occasionally bring wood fuel to the GCMM in bulk. They sell a truck load for R50. Vuyiswa and four other women bought this wood, together each contributing R10. According to her, this special purchase is not only cheaper but also larger than their regular supplies. Two other women indicate that they buy wood from these trucks independently. Nokulunga's mother buys this wood and keeps it at home. Her mother owns a car so she finds it easier to bring wood fuel to the market everyday. Mamthembu stays in one of the hostels adjacent to the GCMM so she does not require transport to carry wood from home to the meat market. Although the women appreciate these bulk supplies, they note that the truck does not come often enough. In fact, some of the people who sell this wood come from the Working for Water Programme, a government-supported programme to clear invading alien species. This means that their supply of wood fuel to the meat market is dependent on the life span of the programme as well as their continued interest in selling wood to informal meat traders at the GCMM. Given this situation it is clear that this is not a reliable source of wood fuel supply. However, the fact that the informal meat traders are willing to buy woodfuel from alternative sources shows their independence from the wood merchants.

In contrast to woodfuel, sheep heads traders buy LPG from a woman who used to sell sheep heads. This woman is also based in the meat market, so sheep heads traders do not have to worry about the costs of transporting LPG cylinders. Men and women involved in selling sheep heads use LPG mainly as a supplement to wood fuel during the cleaning process. Both Vuyiswa and Dlamini purchase LPG in different quantities depending on

their cash flow. Vuyiswa for example, prefers to buy a 19kg cylinder per fortnight, and this costs her R78. However, when she does not have sufficient cash income she buys a 9kg cylinder at R42 and it lasts her for a week. The traders keep their LPG cylinders in the GCMM because it is convenient and safe. The combined expenditure on energy is considerably high as reflected in Table 3.

Table 3: Informal meat traders monthly fuel expenditure

Energy source	*Fuel cost per week*	*Total fuel cost per month*
Electricity		R100*
Wood		
Informal meat traders	R70	R280
Sheep heads traders	R80-R125	R320-R500
LPG	R42 (per 9kg cylinder)	R168 (per 9 kg cylinder) R156 (per 19kg cylinder)
Minimum total fuel cost for sheep heads traders	R122	R488

* Electricity costs are included in the monthly rent

From Table 3 it can be seen that sheep heads traders spend a minimum of R488 per month on fuel alone. All the traders choose to use woodfuel because it is perceived to be the most affordable fuel. More importantly, the traders are able to purchase these fuels in different quantities, depending on available cash flow.

The use of wood is not only costly financially, but there are external costs as well. Often the wood bought is not entirely suitable to make a braai fire because it is either not properly dry or the logs are too big, hence a majority of the traders bought planks to ignite it. Even though the meat traders used open fires in an 'open' space, they were exposed to high smoke concentration because each trader made his or her own fire and these were located in close proximity to the traders (see Figure 4 and 8). As the traders pointed out, exposure to woodfuel smoke is a health hazard, which causes respiratory problems and eye irritation. In addition it bothers the traders because it causes bad odours on their clothing. One of the women, Mamanci, pointed out that 'when attending to customers it is important to assist them to braai meat because sometimes a person is going to a meeting or back to work, so they would not like to come close to the fire because of the bad odour'.

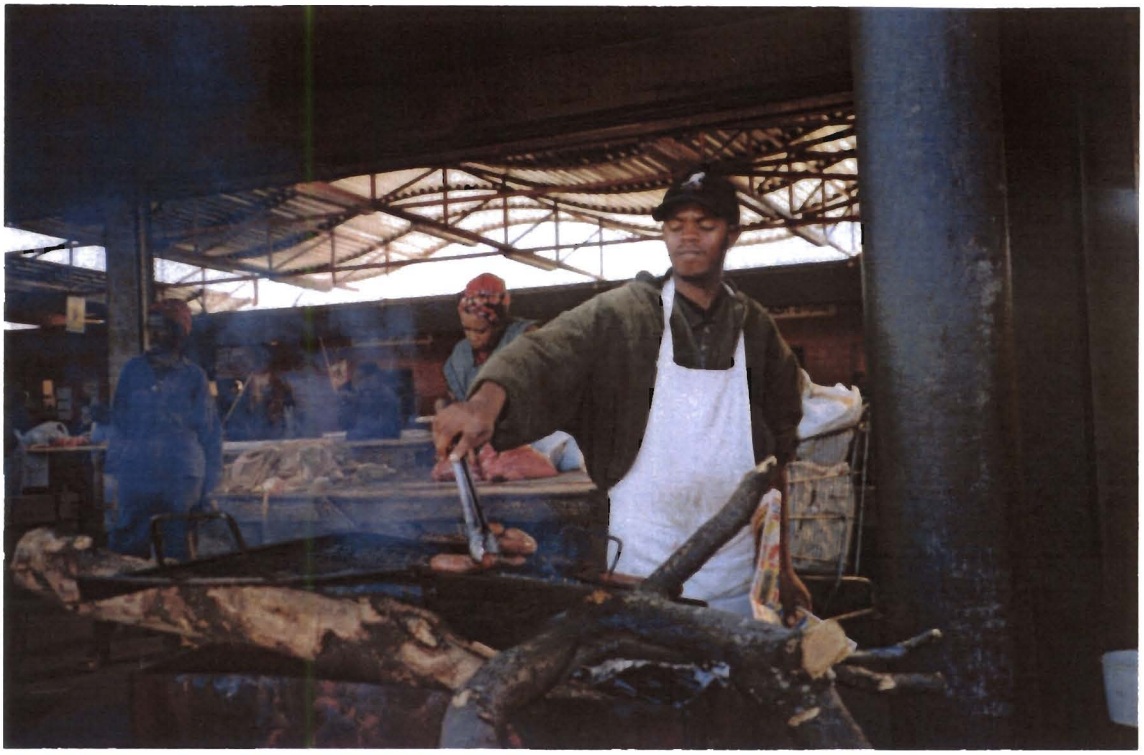

Figure 8: A smoking braai near the traders' tables

As can be seen in the picture above, a significant amount of smoke from the braai fire goes directly to the meat traders located behind the braai stands. At the same time, since the traders are responsible for tending the fire, braaing meat for some customers and paying attention to other customers who come to their tables, the location of the fire in close proximity to the tables is essential. Given the diversity of the energy sources used in the meat market, the following section examines the rationale underlying fuel allocation to different services.

4.5 The rationale behind fuel allocation in the meat market

In as much as energy use is dependent on fuel availability and affordability, the decision to allocate fuels to different services is mainly the responsibility of the users. The discussion has shown that informal meat traders use multiple energy sources, namely woodfuel, LPG and electricity. Fuels employed in the informal meat trading business are allocated and used in a complementary manner. Interplay of cultural and economic factors determines fuel choice and fuel allocation in this regard. Furthermore, fuel choice decisions are not only dependent on the informal meat traders' preferences but are also shaped by customer preferences. This is different to fuel allocation for domestic cooking, where women mostly play a dominant role as managers of the households, thereby taking responsibility for

energy decisions especially for cooking. To be able to stay in business, informal meat traders need to be able to satisfy the needs of their customers.

4.5.1 Economics or culture? Understanding the heavy reliance on woodfuel in the meat market

Clearly there is a heavy reliance on woodfuel in the meat market and the underlying reasons include customer preference, culture, tradition, cost and convenience. According to Mangwanya, a woman who sells meat chops and offal, informal meat traders use wood because 'customers want their meat to smoke on wood fire, they do not want gas'. In general, eating food is an activity that is closely associated with a people's culture. Customers prefer a wood fire because the smoke from it enhances taste. Directly linked to this is the question of culture and tradition. For example, other traders use woodfuel because this is what other traders who were engaged in informal meat trading before them used. Similarly, other customers may be expressing a specific interest for meat braaied on wood fire because this is what they are used to.

At the same time, there is also the issue of convenience and cost. Woodfuel is perceived to be cheaper than other alternatives such as LPG and electricity, even though it is equally commercialised in urban environments. One of the factors that studies of fuel use patterns have found with regards to affordability is that low-income households tend to prefer fuels which are available in small quantities. Woodfuel is available in small quantities at affordable prices, even though when added together, the monthly expenditure on woodfuel is relatively high. Because wood is delivered in the meat market, informal meat traders find it more convenient to use.

4.5.2 Gas is quick and most effective

Unlike small home-based traders observed in Khayelitsha who used wood fire only or wood fire together with a paraffin blow-torch to clean sheep heads (Qase 1997), informal sheep heads traders in GCMM use LPG for the final cleaning up of the sheep heads. The choice of LPG in the meat market indicates that the size of the enterprises and market demand was higher than that of small home-based enterprises. Sheep heads traders indicate that they buy a minimum of twenty sheep heads per day, and hire assistants to help them with the cleaning process. Dlamini pointed out that they choose gas because 'it is quick and more effective in finalising the cleaning process. Gas will just "sign" the process making my sheep heads look clean and appetising'.

In addition to being more effective and efficient considering the scale of their production, both Dlamini and Vuyiswa chose LPG because they saw it being used for cleaning sheep heads by their mentors. They were both unaware that some other people used paraffin blow-torches. When Dlamini heard this he answered thus 'those people are likely to be selling two sheep heads a day'. He emphasised that he uses LPG because it is quicker and more effective in cleaning sheep heads but, since it is expensive, one needs to use it with caution. 'You cannot use gas alone'. In other words, using a combination of fuels is a strategy to minimise expenditure.

4.5.3 'Electricity is for lighting and refrigeration': attempts to reduce energy expenditure

The provision of electricity to the GCMM was meant to effect shifts from traditional woodfuel use to electricity. To facilitate this shift, Eskom donated fourteen electric grills. The chairperson of the GCMM board, also a sheep heads seller, pointed out:

> Even though Eskom knew that we use wood to braai meat they requested to put in electrical fittings in our braai places. We opposed this; we said we want wood because electricity will be too expensive. I believe that they gave us electrical grills because they knew that they would make more money from this move. Electrical stoves are very heavy on electricity consumption.

Meat traders are hesitant to use electric grills because they consider electricity to be too expensive when used for heating applications. Although the informal meat traders were advised to use hot water to clean their tables in order to maintain a hygienically clean environment, this geyser was later switched off to reduce electricity expenditure. Informal meat traders used cold water with soap to clean their tables. Electricity in the meat trading business is important for refrigeration and lighting (Peter 1999): traders believe that it to be cheaper, more convenient and efficient for these. Informal meat traders require refrigerators to prevent spoilage and maintain meat quality. The traders are unable to predict daily sales so they often have stock left over. In addition they buy chilled meat and, in order to keep it fresh, require access to cold storage facilities. Meat traders do identify access to refrigeration as one of the constraints they experience, and this question is considered in Chapter Five. Suffice to say that the GCMM experiences frequent blackouts which sometimes span for a number of days resulting in stock losses for those who use electric powered refrigerators in particular. In other words, their electricity supply has not been completely dependable.

4.6 Conclusions

Energy consumption and use in the GCMM reflects the diversity of the energy services required by the meat traders. The various energy sources used to meet these services are LPG, woodfuel and electricity. This chapter has demonstrated that men and women allocate different energy sources that are available to them strategically to different services. The result is that fuels are used in a complementary manner to meet needs and minimise costs. Woodfuel is primarily used for thermal applications because it is perceived to be cheaper than LPG and electricity. Other factors that influence fuel choice and allocation are tradition and culture – particularly food taste, availability, efficiency and convenience.

This chapter provided an insight as to why a shift from woodfuel use to electricity may not occur, by locating the fuel consumption patterns of informal meat traders within the socio-economic and cultural context of the users. The experiences and perceptions of the informal meat traders were that electricity is expensive when used for heating applications. Since the primary goal of informal meat trading is to generate incomes necessary for household survival it is understandable that traders should attempt to minimise their expenditure on all the inputs, including energy. The analysis provided here demonstrates that it will take a long time before electricity can replace woodfuel for activities that are perceived to be high on energy consumption. Furthermore, customers themselves prefer meat braaied on a woodfire because this enhances taste. Because food and taste is a culturally embedded activity, changing from wood to electricity for braaing fuel patterns could affect the market for informal meat traders. It is important that energy service delivery should aim to encourage an optimal energy mix of energy sources and allow local knowledge and circumstances to dictate the ultimate combinations. An important issue for household energy policy is to include other energy sources such as LPG and woodfuel and facilitate access to these for the urban communities. Such a move would alleviate some of the energy problems that street food vendors experience. The following chapter shows other barriers to sustainable livelihoods in informal meat trading.

5. Opportunities and constraints to sustainable livelihoods in informal meat trading

5.1 Introduction

Informal meat trading provides a means through which less skilled and poorly educated men and women maintain family livelihoods. The previous chapter underlined the centrality of energy to the livelihood strategies of the informal meat traders. Also highlighted were some of the issues and problems related to energy demand for income generation. However, energy is just one of the demands that informal meat traders are confronted with in their struggle to earn a living; energy on its own cannot guarantee sustainable livelihoods. In this light, this chapter focuses on analysing further constraints that informal meat traders experience in relation to their enterprises and their location in the meat market.

The chapter is structured as follows: First, case studies highlight the life circumstances of the men and women involved in informal meat trading. An appreciation of the circumstances that lead traders to engage in informal meat trading, and the significance of this work to their lives and families, provides useful context when developing policies and strategies that are directly intended to improve the meat traders current conditions. Second, the various constraints that informal meat traders identified are examined. From the discussion it becomes apparent that the problems they experience are typical of the problems that plague informal sector operators in general. For this reason, I examined the extent to which the provision of infrastructure to the meat market has addressed some of the problems that meat traders experience. In conclusion it is argued that the provision of infrastructure to the meat market has improved the physical and social conditions of the informal meat traders, but not their economic status. Upgrading of the meat market has not translated into higher incomes as the informal meat traders would have desired. This experience implies that infrastructure provision is just one step in the development process, not an end in itself.

5.2 'I have educated my children through selling sheep heads': the significance of meat trading to family livelihoods

The constraints experienced by informal meat traders in the meat market are intimately linked to their life circumstances. This section describes these circumstances through the case studies of two sheep heads traders and two meat sellers. These show the connection

between meat trading and family livelihoods, and, more importantly, the reasons meat traders got involved in this activity.

Case study 1: Vuyiswa, sheep heads seller

Vuyiswa, aged 35, is a single mother with two school-going sons. She dropped out of school in standard seven. She stays in Phillipi, an informal settlement near Gugulethu. Her children stay with her parents at Hewu, in the Eastern Cape. She decided to send her children home to be raised by her parents. She argues that she could not provide her children with parental care and guidance because of her demanding work life. 'I leave home early in the morning about 7h00 and return very late at night around 11h00 therefore I cannot be able to make sure that they attend school'. She mainly provides them with financial support. She came to Cape Town to look for work but could not find a job. Her alternative was to find work in the informal sector. She was advised to sell sheep heads by her cousin who was also generating her income from this activity and volunteered to teach her. She has been selling sheep heads since 1995.

Case study 2: Dlamini, sheep heads seller

Dlamini aged 66, is a married man with four school-going children. His wife and children live at Engcobo in the Eastern Cape but they visit him occasionally. He used to stay alone at KwaKhikhi hostels, until he moved to Phillippi. His family depends on the income he generates from selling sheep heads. Dlamini started selling sheep heads eight years ago, when his eldest brother introduced him to the business. At first he was helping his eldest brother and later worked independently. Dlamini is not educated but he would like to educate his children. He did not know their ages but was very proud to say that 'I have educated my children through selling these sheep heads'.

Case study 3: Manyawuza, meat seller

Manyawuza, aged 66, was estranged from her husband eighteen years ago. She has never been to school. Manyawuza has six children, three of them adults. Two of her school-going children stay with their paternal grandmother in the Eastern Cape. She stays with the youngest daughter in a backyard shack in Gugulethu. She says hardship brought her to Cape Town in 1982, when she stayed with her brother at KwaKhikhi hostels. She later heard about the alternative accommodation from her 'homeboy' who was staying with them at the hostel. She has been in the

same backyard shack since 1988 and she pays R10 per month for rent. Sometimes she helps to pay water and rates but she is not obliged to do so. She has access to electricity from the main house, and pays R10 per month for this service. She uses electricity to power a refrigerator, and the fridge is used to store meat. She sells tripe, beef and liver during the week and includes chickens over weekends. She says 'because of hardship, you try anything you can to make money'. Initially she bought five tripe so that she can see how the business will grow, and gradually she added chickens.

Case study 4: Mangwanya, meat seller

Mangwanya, aged 50, stays in a backyard shack in Gugulethu with her four children and seven-year old granddaughter. She pays R60 per month for rent and has no access to electricity. She began selling meat in 1989 after the death of her husband who was the family breadwinner. She learnt about the business of selling meat from her husband who used to buy cattle and slaughter them for sale. She turned to selling tripe because she could not afford to buy cattle. Currently, she sells tripe and liver during the week and adds freshly slaughtered chickens and beef chops over weekends. Her eleven-year old daughter Nolusindiso and her granddaughter Zizipho assist her in the meat market when they return from school. Nolusindiso particularly helps to braai meat for customers.

All the men and women involved in informal meat trading in Gugulethu are migrants from the rural villages of the Eastern Cape province. As a consequence none of them have access to decent accommodation. They live in rented backyard shacks, or informal shack settlements near Gugulethu. Only one of the traders rents a formal house in Gugulethu. Two of the women share beds with their husbands at KwaKhikhi hostels. A few of those living in rented shacks have access to electricity through illegal connections from the main houses. As migrants, their survival in the city depended on access to social networks.

The case studies demonstrate the usefulness of social networks (kin, friends, neighbours and homegirls and homeboys)[7] with regards to securing livelihoods in urban environments. Not only did they facilitate entry into urban areas including access to accommodation, but they also acted as support systems in finding opportunities to earn a living. Their kin introduced a majority of the traders into the business of selling meat. Mamanci who rents a

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[7] The concepts 'homeboys' and 'homegirls' are used to refer to the men and women who come from the same rural village or town.

hostel bed with her husband received start-up capital from her cousin. The traders continue to rely on these social networks for moral and financial support. Maintaining rural links is also important to survival. The women were able to participate in the informal meat trade because their mothers and mothers-in-law assisted them with child rearing responsibilities. Unlike women who operate home-based enterprises, where it is often possible to combine reproductive roles with income generation, the women at the meat market operate far from their homes and places of residence. Few women bring their children to the meat market.

Unemployment and poverty, defined in terms of 'hardship,' are the driving factors behind the traders' involvement in informal meat trading. Some have low educational qualifications, while others have no formal education at all. Because of their lack of education, the traders found it difficult to secure jobs in the formal sector, and the informal sector was the only option available to them. They chose informal meat trading because, according to Vuyiswa, 'if you sell foodstuff you are sure to have a meal on your table everyday. People will always buy food'. All the traders found it easy to enter into the informal meat trade because it required no formal skills and little capital.

It can be argued that, while education is not a pre-condition for entry in the informal sector, it plays an important role in determining success. Without education, people often remain on the bottom rung of the SMME sector, namely the survivalist and micro-enterprise level, earning very low incomes. In contrast, DTI (1997: 4) highlights that people with tertiary education rarely own micro-enterprises, because they possess skills to build far more secure establishments, with opportunities for growth. Education can thus be seen as one of the underlying constraints to securing sustainable livelihoods. Low levels of education increase vulnerability, and this affects women more than men. As is common in the informal sector, a majority of women earn their incomes from informal meat trading. Women's vulnerability poses a threat to family livelihoods because, whether married or single, women often take primary responsibility for the welfare of their families. The meat traders use incomes from their businesses to meet daily survival needs of their families, and more importantly for the education of their children. The meat traders prioritise education in order to improve their children's life chances.

5.3 Major constraints confronting meat traders and their coping strategies

Although informal meat trading is important to the traders and family livelihoods, the meat traders in Gugulethu experienced various constraints in their businesses, which are discussed in more detail in this section.

5.3.1 Competition

Informal meat trading is overcrowded – consequently competition is stiff. Furthermore, the changes that are currently taking place in the formal economy, such as the restructuring and privatisation of certain enterprises, has negative impacts on the informal sector including the informal meat trade in the townships. Loss of jobs, for example, affects incomes in the informal sector, and it also increases competition as retrenched workers resort to the informal sector for survival. Entry into the informal meat trade is easy because there are no formal skills required and start up capital is minimal hence many people are involved in this business. Because of competition it is difficult to sell. Dlamini explained this experience thus:

> Doing business is not easy, some days you sell and sometimes you don't. I cannot explain why. But where there are many of you selling the same thing, customers can choose whom to buy from.

There is a perception among the informal meat traders that operating from one big market has actually increased competition. Mangwanyà, for example argued that:

> Initially people used to occupy different spots around the hostels and often this helped because instead of walking around comparing traders, customers would just buy what is available. Now it is easy for them to choose – they come look and move on with much less effort. It is very difficult to sell, let alone make profits.

She went on to argue that:

> Perhaps it would be better if each trader had his or her own small enclosed stall to trade from, rather than the current arrangement where each trader is only allocated a table.[8]

In order to deal with this competition, two women, MaZulu and MakaShakes, tried to improve on their customer relations – paying particular attention to packaging, cleanliness and customer care. Mazulu who is particularly sensitive towards her customers said:

> I try to keep my table clean because customers are very perceptive. They scrutinise the environment where you have your business. When a customer approaches my table, I get up to help them. I look at my customers to see how I can help them. For example, sometimes a customer is going to work or an important meeting, so she or

[8] The tables are arranged in a row and follow the L shaped structure plan of the meat market.

> he cannot stand next to the smoking braai. I help them. Some of them do not know how to braai meat so you must be willing to do this for them. I do not think too high of myself. I respect all my customers including children. I treat them in the same way. It is important for business because children can relate this to their parents.

Furthermore, Mazulu and MakaShakes bought brown paper to wrap their meat parcels. In contrast a majority of the traders used various kinds of newsprint – such as newspapers and flyers – available for free. Both women argued that some customers considered newspaper to be dangerous. This shows that in some ways encouraging healthy competition in this sector can improve the quality of the services rendered.

5.3.2 Low-income local markets and the sale of meat on credit

Since the meat market is located in the middle of the hostels, informal meat traders rely mostly on their immediate community. In general, it can be argued that their target market is low income, since hostel residents are generally poor. According to a socio-economic survey of household incomes conducted in 1995, hostels residents earned an average monthly income of R730 with 60 per cent of households earning less than R800 per month (Thurman 1997). Only a few customers are professionals, mainly teachers from nearby schools and City Council workers based in the old offices of Ikapa Town Council.

There are opportunities and constraints associated with the informal meat traders' reliance on their own communities. Traders share a similar background with their customers and this makes it easier for them to target commodities that are popular. Consumption of offal and sheep heads for example, is quite specific to African communities. Reliance on a low-income market is problematic however. Traders are often forced to sell meat on credit. A majority of the meat traders in the GCMM sell their meat on credit in order to attract customers. Mangwanya for example has 'regular' customers who buy meat on credit and pay her at the end of the month. These customers tend to have regular incomes – for instance pensioners and monthly paid employees. Selling meat on credit leaves traders with the responsibility of financing their daily operating costs – mainly transport, fuel and stock. The worst scenario is that some of the customers never pay. Vuyiswa comments that 'some customers simply disappear. They know that you cannot leave your business and go chasing after them'. The informal traders do not have any means of protecting themselves from people who fail to honour the payment agreements, which are primarily based on mutual trust.

5.3.3 Access to cold storage and bulk buying

One of the priorities of meat traders during the upgrading of their meat market was access to cold storage. Because meat is a perishable good, access to a cooling facility is essential to keep it fresh. While the cold storage room has been built, it is not yet equipped with cooling facilities. According to Smuts (1999):

> While cold storage was high on the agenda in the early phases of the project, it has subsequently come off the agenda because people aren't paying rent for their work spaces, therefore it is difficult to pay the general electricity bill. In a board meeting they decided that they were not going to put a bigger burden on the general electricity bill until people start paying the rent. And it can be seen that there is a commitment from their side to pay, because it is pointless to put in two cold rooms that is just gonna draw more electricity.

To cope with the lack of access to cooling facilities, some traders bought their refrigerators. Vuyiswa bought a fridge freezer, which she keeps in the meat market primarily because she has no access to electricity at home. Others use their social networks to access refrigerators. Because Manyawuza has installed electricity in her shack she bought an electric fridge and she keeps it at home. She carries her stock to and from the meat market everyday. Dlamini used to depend on his friend's fridge while he was staying in the hostel, but now keeps his sheep heads on the cement floors in cardboard boxes at the meat market. He chose this option because he leaves the GCMM late at night and he found it difficult to ask his friend for access to refrigeration. He believed that storing sheep heads like this is neither healthy nor safe but he has no alternative until all the traders have access to collective cold storage in the meat market. Keeping stock in the meat market would be more convenient for all of them.[9]

Access to cold storage facilities would enable meat traders to keep meat fresh and even allow those who can afford to buy stock in bulk to do so. Ideally bulk buying would be the preferable option for the meat traders. The chairperson of the Section 21 committee, Peter, who also sells sheep heads (1999) illustrates this point:

> A major constraint is that we cannot buy meat straight from the abattoir or wholesale factories where it will be cheaper, because we do not have the necessary licenses.

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[9] The only concern however, would be the health risk associated with defrosting meat and later returning it to the fridge for storing when it is not sold out. In the process meat can be contaminated which poses a threat to the consumers who may buy this meat unaware.

> Only wholesalers and butcheries have these licenses, and it is difficult to bypass them. It is a long chain and you can imagine that at each stage there is a price mark-up. If we could get meat direct from the abattoir it would be better.

Buying at wholesale prices would eliminate some of the price mark-ups in the current distribution chain, and allow meat traders to buy stock at cheaper prices. Access to cheap supplies might increase profitability in the informal meat trade. In addition, bulk buying would offer meat traders a further opportunity to reduce costs, by cutting down on transport costs to meat suppliers who are mainly located outside Gugulethu. Despite these benefits, bulk buying would not be possible for all traders, as it would require more cash for the larger volumes. Most of them would not be able to raise this capital from their daily sales. The women, for instance, used their businesses to support their families, so part of their daily income is used immediately to meet household needs.

5.3.4 Accessibility of meat supplies

Meat traders in Gugulethu depend on the formal sector for meat supplies.[10] In general, meat traders purchase their stock outside Gugulethu, namely Mitchell's plain, Phillipi, Salt River, Woodstock and Maitland (ref. map at the end of this section). Their dependence on suppliers far from the location of the meat market affects traders' working hours and increases their expenditure on transport. Meat is not delivered to the meat market, so the traders are responsible for buying and transporting their stock. A majority of them travel frequently to buy stock, particularly because of lack of access to cold storage. With one exception meat traders do not have access to private transport; instead they rely on hired or public transport. To cope with this situation, and to gain access to reliable means of transport, some of the women organised themselves into groups. For example, a group of five women (Vuyiswa, Manyawuza, Mangwanya, Edith and Mamthembu) bought stock from Salt River 15 kilometres away from the meat market. These women hired someone who owned a bakkie to provide them with transport to Salt River, at R10 per trip per person – and they paid this every Friday. But Vuyiswa did not go with the other women; rather she asked the driver to purchase sheep heads for her. She gave him money and bags marked with her name. She was able to do this because sheep heads' are sold in unit prices, which are constant (refer to section 5.3.5. below). On Fridays she bought enough sheep heads for the whole weekend.

By working together the women meat traders support each other and cope better with their situation. They use the same transport in the evenings to return to their homes. Each person pays R5 (during the day the fare is R2.50) per night.[11] Although some of them live nearer to the meat market, they prefer to use transport for reasons of personal safety. This system works well for these

women as the transport is more reliable and efficient. If there is a problem with the car, the owner would find alternative means of taking the women home. There are public taxis that also ferry meat traders to and from the butcheries, but these were not preferred. Dlamini, who used both trains and public taxis, indicated that 'it is better to use a train when you go to buy stock and only take a taxi on your return because a train saves time'. In the morning taxis are not convenient because 'you have to wait until a taxi is full even if you are in a hurry'. He buys a minimum of twenty sheep heads per day. Due to this heavy load it becomes difficult for him to use a train because of the distance to the train stations, and from the station to the meat market. Meat traders pay R10 per person on the public taxis and this fee includes space for their parcels. According to Dlamini some public taxis are hostile to informal traders – 'they refuse to give us a lift with our heavy parcels even though we are prepared to pay more'.

Mamaduna is the only trader who owns a car, which means she does not have to rely on a single supplier. As a consequence, in practice she buys stock from different suppliers. Her common suppliers are located in Kensington, Salt River, Gugulethu and Mitchell's Plain, and each time she chooses those who offer the lowest prices. In contrast, traders who do not have personal transport do not have the opportunity to look for special bargains.

All the traders wake up before dawn to buy meat because they encounter long queues at the butcheries, which causes delays. Despite this, sometimes the traders arrive at their stalls only at midday. This is particularly the case in instances where they share transport, since they have to wait for each other. Dlamini explains:

> When we go to buy sheep heads, *'umlungu,'* the white man who owned the butchery would give tickets to all of us. He would then allow everyone to at least get

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[10] The meat traders in Gugulethu fit with a general pattern in South Africa. For example, in an investigation of street trading in Pietermaritzburg, Mosdell (1991) found that food sellers were more dependent on the formal sector than were clothing sellers.

[11] These are private cars that have been converted into taxis. Unlike the regulated mini-bus taxis, they operate within the townships only.

a minimum of ten sheep heads. Then those who want more can get more at a later stage if sheep heads are still available. But, if he knows you because you are a regular customer, then you can get as many as you want at once.

Meat deliveries to the meat market, however, would save traders some time and enable women to take care of other household chores in the morning. They could arrive in time to receive their deliveries and to prepare for the lunch and afternoon crowds.

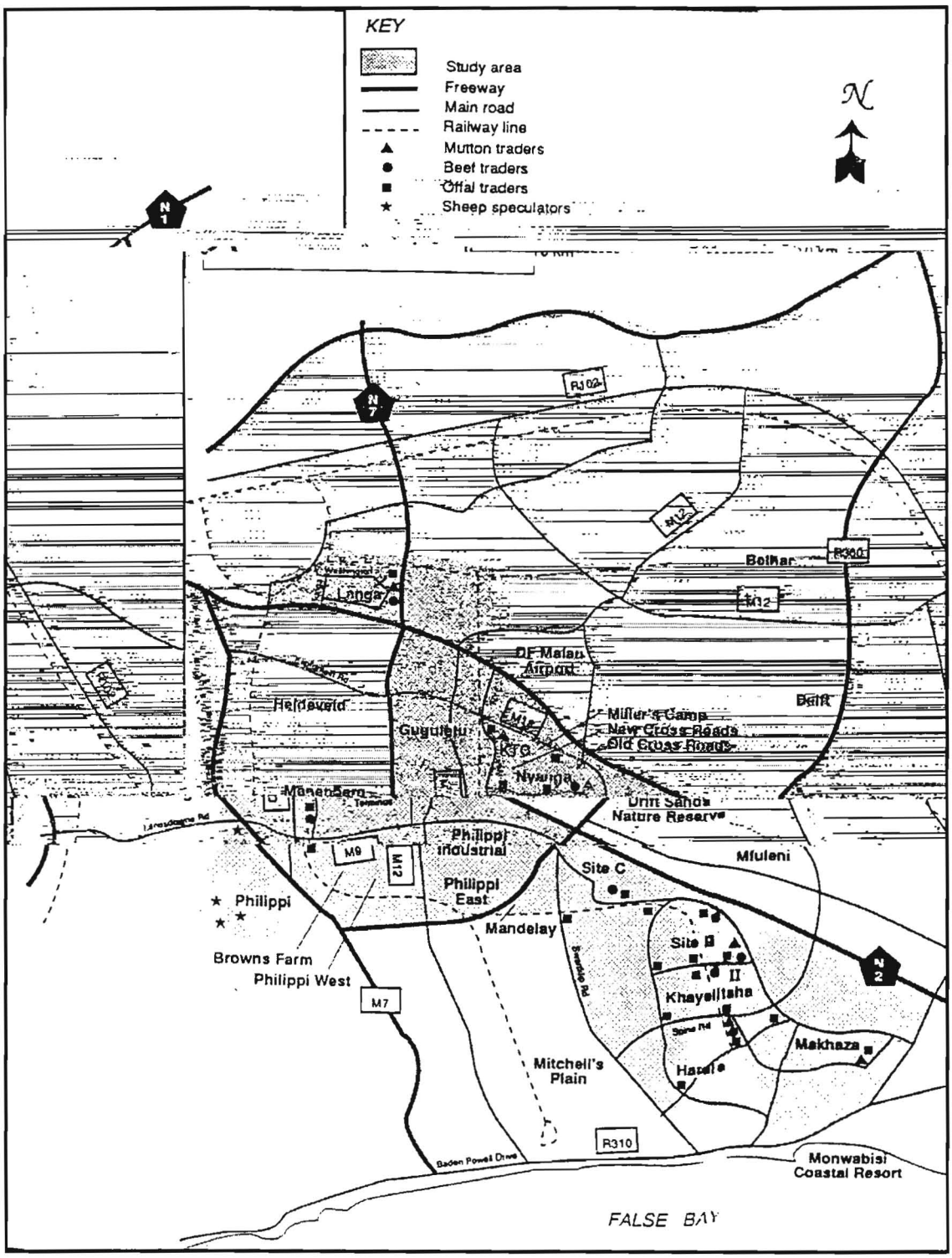

Figure 9: Location of meat suppliers

Source: Adapted from A S M Karaan 1993

5.3.5 Pricing and profitability

Meat traders in Gugulethu buy sheep and ox liver, offal and cattle heads as they are from the butchery, but they cut these items into smaller portions before selling them. The result is that customers could buy a piece of liver or half a sheep head at R5 and R7 respectively. This is necessary because the target consumers have low purchasing power. Informal meat traders and their formal suppliers differ in their pricing techniques. For instance, when informal meat traders buy meat from the butchery it is weighed and the price is dependent on the mass. In contrast, meat traders use physical quantity or size to determine the price of their goods. The difference in pricing methods sometimes works to the disadvantage of the meat traders. For those selling tripe it is possible to buy tripe at R14, and sell it for the same price. It is difficult for meat traders to add a high price mark-up because customers will not buy expensive pieces of meat.

The situation for sheep heads traders is different. Sheep heads traders buy sheep heads at R7 each regardless of the size or weight. The traders sell cooked sheep heads at R14 each. In other words, the selling price doubles the purchase price and it includes the labour, time and fuel costs. Sheep heads traders are perhaps the only traders who found it easier to include the cost of inputs in the selling price, and their business was perceived to be more profitable. Peter (1999) suggests that

> If you are good at handling money, it is quicker to make a profit from selling sheep heads because if you look at the selling price, it is double the purchase price. Remember we have to consider our labour, LPG, pot scraper and wood.

Since the sale of sheep heads is a labour-intensive activity, most sheep heads traders require assistance and for this they hire labour and others rely on their family members. Vuyiswa hired two boys to fetch water and help her with cleaning sheep heads. She paid them R10 each for cleaning sheep heads and R5 each for fetching water per day. Both Vuyiswa and Dlamini buy twenty sheep heads per day spending a total of R140. Sales from these sheep heads earn them an income of R280 before deducting the cost of fuel, and hired labour.[12] While the purchase price of the sheep heads is independent of the size or weight of each unit, customers use size and appearance as decision criteria. To be able to sell sheep heads that are perceived to be smaller than normal, sheep heads traders reduced the price of each sheep head to R10. Sometimes their customers use this opportunity to buy sheep heads on credit.

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[12] Unfortunately the meat traders were reluctant to give their income data.

It is interesting that informal meat traders buy stock from different places but their selling prices are similar. There seems to be an unwritten policy that no one should attempt to undercut others. While this works well in terms of normalising relationships at the meat market it could have negative effects on individual earnings.

5.4 Infrastructure provision and its implications for informal meat traders

The primary objective of meat market developments is the provision of hard surfacing, shelters, stalls, public toilets, the supply of water and electricity, drainage and refuse removal services (Cape Town City Council 1999). It is hoped that such improvements will help to uplift the living standards, alleviate poverty and provide work opportunities in impoverished townships. The underlying assumption behind this move is that poor access to municipal services is often identified as one of the key constraints to the growth and development of economic activities in poor urban communities. While acknowledging that the provision of infrastructure has enormous potential to improve living standards in poor communities, in the light of the constraints mentioned above, this section examines the extent to which the provision of infrastructure has helped to address some of the challenges facing meat traders.

In the GCMM the provision of infrastructure has had positive effects on the physical environment and social conditions of the traders. A clean and hygienic environment is undeniably very crucial for traders involved in the sale of food. Electricity in particular, which was provided as a result of the upgrading process, is cheaper and more convenient than candles and LPG lamps for lighting. Furthermore, access to electric lighting has increased women's sense of personal security. In spite of this positive contribution, infrastructure provision has also had negative implications for the traders. For instance, the provision of infrastructure meant that the street traders have to operate under one roof, which unfortunately intensifies competition. Jika (1999) argues that based on current regulations, all the street vendors around this area are supposed to operate from the meat market. As such competition is inevitable and it cannot be controlled.

In return for the services provided the traders are expected to pay monthly rents. This fee for service approach is a contentious issue at the moment in South Africa, and Gugulethu is no different. Meat traders agreed to pay R75 per month during the planning phase, but this was subsequently reviewed and increased to R100 when the meat market started operating. In addition to municipal service fees, the income from rent payments is also required to pay the DBSA loan. The latter will fall away after twenty years (Peter 1999).

The traders argue that the incomes generated in the meat market are insufficient to pay regular monthly rents. Manyawuza complained that 'our businesses aren't moving but rent is stable. It is fixed'. The meat traders argue that the GCMM has failed to attract customers as anticipated. Consequently there is a shared perception that incomes have decreased since moving into the meat market. Mangwanya, for example, said: 'I thank my friends here for advising me to take my son to an initiation school when my business was still doing well. If I hadn't done that, I would never be able to do it now.' Similarly, Vuyiswa used to save money in the bank every month and through her involvement in rotating savings clubs was able to purchase furniture worth R30 000 for her home on hire purchase and she managed to pay this off within three years. She argued that 'these days I can't even save money in the bank anymore. I only rely on the money I contribute to the savings club with my cousins'. To sum up their difficulties, Manyawuza said: 'we wanted the meat market but now we cannot cope, it is beyond our reach.' Since the traders wanted better working conditions, they did not have sufficient bargaining power to oppose rents or negotiate affordable rates. As many of them find it difficult to fulfil their financial commitments, their rents are in arrears.

In contrast to the experiences of meat traders, people who are not directly involved in informal meat trading believe that traders earn sufficient incomes, but are not prioritising rent payments – prioritising other responsibilities such as school fees for their children (Pityana[13] 1999 & Smuts 1999). Smuts, for instance, argues that:

> The women can pay their rents but it is just a matter of priorities and the slackness of the board and management to demand to get money. The minute the board and management gets hard and demand money then all of a sudden the people pay. In other words rent payments only require strong management.

According to Pityana, a monthly rental of R100 is not a lot of money considering that a person is only expected to pay just above R3 per day. Even though there is high unemployment and undeniable poverty, the attitude towards payment for services is that informal sector workers can afford to pay rents but are just resisting. Other people associate the problems surrounding rent payments with the 'culture of non-payment' originating from the rent boycotts of the 1980s (when the practice was part of the struggle against the

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[13] Mrs N. Pityana represented the Cape Town City Council (Treasury Dept) on the GCMM board

apartheid government).[14] Referring to the meat traders, Jika (1999) suggested that ' blacks are just not prepared to pay rent for the services they receive'. In reality, however many traders are struggling to pay rents. Consequently, in the meat market two spaza shops have already sunk due to poor turnover. As a coping mechanism, Dlamini suggests that sometimes sheep heads traders contribute money to help each other out, which in a way helps to hide their difficulties. It is important to note that the struggles surrounding rent payments are not unique to meat traders in Gugulethu. For instance, hawkers at the Yeoville market in Johannesburg inner city believe that the rental for stalls should be no more than R1 a day (*Mail and Guardian* March 3-9, 2000) which is three times less than what meat traders in Gugulethu meat market are expected to pay.

5.5 Conclusions

This chapter has highlighted the opportunities and constraints that informal meat traders experience in the meat market. For many of the traders, involvement in the meat market is not a choice but a necessity. Due to their poor educational qualifications, alternatives are limited. The informal meat traders use the incomes from their businesses to protect and maintain family livelihoods, and a major priority for most of them is the education of their children. Looking at the circumstances, which have shaped their individual lives it can be seen that, even though they have common experiences with regards to informal meat trading, the meat traders are not a homogenous group. Gender, family circumstances, access to social networks and individual personalities shape their individual experiences. In light of this, social networks are central to providing a support base. The women in particular depend on their rural families for childcare and maintenance.

Securing livelihoods through informal meat trading is difficult for various reasons. First, competition is rife. Although the traders work long hours everyday of the week, incomes are low. A majority of them rely solely on the incomes generated from selling meat. This income must be used to support the traders in Cape Town as well as their families in rural villages. Second, selling meat on credit is common and a necessity, and this negatively affects their businesses, because traders have to buy stock and fuel regularly.

Other problems include access to suppliers and bulk buying. Their location in Gugulethu far from butcheries creates additional problems. Meat traders spend a significant portion of

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[14] The democratic government has subsequently introduced the Masakhane campaign to encourage people to pay for services.

their incomes on transport, and are unable to buy meat in bulk due to lack of cold storage facilities and capital, amongst other reasons. Rent payments demanded in the meat market also pose a threat to the livelihoods of the informal traders because the incomes from the businesses have not improved with the provision of infrastructure to their meat market. Infrastructure provision has only improved the physical and social conditions. The implication is that addressing the needs of the informal meat traders requires more than infrastructure provision and improved energy supplies; it needs a multitude of integrated strategies to contribute to sustainable household livelihoods. The following chapter provides some recommendations.

6. Conclusions and recommendations

6.1 Introduction

The paucity of literature in the discipline suggests that the role of energy in the development of the informal sector is not adequately researched or documented in South Africa. Available research has highlighted the diversity of informal sector activities and the various constraints that confront men and women engaged in it, but there is no explicit reference to energy. The implication of this lack of attention to energy issues is that development agencies and policymakers do not integrate energy into policies and strategies aimed at fostering growth and development of the informal sector. This thesis contributes to narrowing this gap by highlighting the linkages between energy and informal sector development.

Men and women engaged in informal sector activities need energy to survive and to be able to sustain household livelihoods, but the energy supplied is often inadequate due to misconceptions about the role of energy in supporting the development of the informal sector. It is important to recognise that, since activities carried out in the informal sector are very diverse, energy demand will also vary according to the type of activity as well as the scale of production. To demonstrate this, I used an example of street food vending which is one of the dominant activities in urban areas of the developing world, including South Africa. Eating out is also a common characteristic of urban cultures, but a majority of black townships in South Africa do not have access to restaurants and fast food catering. The failure of formal markets to recognise and respond to the needs of the township residents has thus provided an opportunity for street food vendors in black townships to provide quick meals to local communities. Their service is a welcome contribution to the township life where spaces for social interaction and leisure are limited. In other words, amongst its various meanings, eating out has the significance of sociability (Martens & Warde 1997).

Although street food vending is an important feature of urban life, and the energy requirements are obvious, urban policymakers have not yet addressed energy demand in this segment of the informal sector. Street food vendors are visible on street corners, near taxi ranks and other similar places, forming a significant part of urban culture. Street food vending, represented by informal meat trading in this dissertation, plays a critical role in meeting the food requirements of the poor urban communities and is a source of income to a majority of men and women who cannot find jobs in the formal labour market. The income generated from the sale of food is central to the survival of many families. There is

a great demand for street foods but the viability of food vending is dependent on the availability and affordability of energy sources.

This chapter highlights the salient findings of this thesis and their implications for policy. It is structured as follows: first, conclusions based on a brief synthesis of the core chapters are highlighted. Second, there is a discussion of the policy implications of the findings and recommendations; some of the recommendations are directly applicable and relevant to the GCMM while others take a broader focus on public policy. Third, recommendations for further research are provided.

6.2 Conclusions

- *Energy demand for the informal sector needs to be incorporated into the household sub-sector*

The informal sector is a critical livelihood strategy for the urban poor, particularly women, and the income earned from informal sector activities is primarily used to meet the basic needs of the household members. To this end, household energy policies have a direct impact on the status of women, as their contribution to household incomes helps to improve women's image of themselves. Contribution to household incomes enables women to participate in household decision-making and to influence the outcomes of those decisions (Mehlwana & Qase 1996). Effectively this contribution to household income has desirable consequences such as the empowerment of women, which can lead towards equality in the family through women's increased status (Clancy 2000). Furthermore, it is within households that people experience poverty and consequently develop positive ways of dealing with their vulnerability. As such household energy policies have a direct impact on the livelihood strategies of the poor, and on the success of poverty alleviation measures.

The discussion in Chapter Two has shown that current energy policy planning in South Africa is done in a sectoral way, primarily focusing on the supply and demand sectors, which are further disaggregated into sub-sectors. Electricity, coal, liquid fuels and gas, nuclear and renewable energy sources are the main sub-sectors in the supply sector. Demand sub-sectors are industry and commerce, transport, mining, agriculture and households. At present the location of the informal sector within the different demand sub-sectors is not clear. Without a clear location and a conscious effort to address energy demand within the informal sector, the energy requirements for production can easily fall through the cracks. The suggestion in this dissertation is that energy demand for productive

income-generating activities should be incorporated within the household energy demand sub-sector.

- *Energy issues are an integral part of informal street food vending and need to be integrated in planning processes that address this sector such as the current meat market developments.*

The provision of infrastructure and upgrading of meat markets is one of the strategies to improve the conditions under which informal sector operators operate. The case of the GCMM discussed in Chapter Three shows that energy issues were not adequately integrated in the project plans, yet energy issues are an integral part of the informal meat trade. The outcome is that the needs and experiences of the traders did not inform the energy strategy implemented in the GCMM. As the discussion in Chapter Four showed, meat traders require energy for braaing meat, heating water for cleaning sheep heads and chicken plucking, cooking sheep heads, lighting and refrigeration. Consequently, energy consumption and use in the meat market reflects these diverse needs – woodfuel, LPG and electricity are the main energy sources preferred for meeting them. The discussion showed that electricity easily displaced candles and LPG lamps because these fuels were costly and inconvenient. In contrast, traders have resisted using electricity for thermal applications, because this energy carrier is too expensive when used for such energy intensive applications.

- *Electricity provision is important but not sufficient to address the energy needs of the informal sector.*

The White Paper on Energy Policy in South Africa acknowledges the need to provide access to affordable energy services for small businesses and households, but the strategy to address these energy needs in urban areas contradicts this policy objective by privileging electricity over other energy sources. It is important to emphasise that woodfuel is currently considered to be an important energy source for rural communities only. Yet this study demonstrates that woodfuel plays a distinct and critical role in poor urban households, supporting the livelihood strategies of the urban poor. The discussion in Chapter Three showed that, even in project implementation, electricity tends to receive more attention than other energy sources. For instance, while workshops were conducted to clarify informal meat traders' needs, energy issues were not included in the discussions; as a consequence the project planners only prioritised the provision of electricity and overlooked the informal meat traders' preferences for woodfuel and LPG for certain services. This poor judgement is difficult to rectify at project planning level if the projects

themselves are not regarded as energy projects, as we have seen in the case of the GCMM. The argument here is that, while access to electricity is important, it is by no means on its own sufficient to address energy demand within the informal sector.

- *The choice of energy sources in informal meat trading is influenced by a combination of culture (customer preferences) and economics (traders situation).*

Multiple fuel use, which is prevalent in the GCMM, is characteristic of domestic energy use patterns in low-income urban households. Key factors that influence fuel allocation in the meat market are tradition and culture, especially with regard to the taste of braai meat, cost, availability, fuel efficiency and convenience. In contrast to domestic energy use, woodfuel dominates energy consumption for income generation in urban areas and is mainly used for heating applications. Since the 1960s, when some of the traders began selling meat, woodfuel has always been the fuel of choice. This tradition still prevails for two reasons. First, customers prefer meat braaied on wood fire because it enhances the taste of meat. Food taste, as Caplan (1992: 6) puts it, represents so much: the past, memories of childhood, a sense of place and time and one's own self within it. It is therefore important for policymakers to be sensitive to these subtle nuances which often underlie people's expressions of their fuel choices. Second, meat traders in the GCMM believe that woodfuel is cheaper for energy intensive applications than available alternatives such as LPG and electricity. The latter energy sources are used with caution, because the meat traders find them too expensive to depend on. However, as the discussion of their monthly fuel expenditure showed, woodfuel is not necessarily cheap but is available in small affordable quantities; as a result the tendency is for the traders to buy these rather than bulk quantities. Because the traders do not do a proper audit of their expenditure, they are unaware of their total expenditure on fuel.

- *A priority is to keep the costs of inputs low*

While project planners envisaged a shift from woodfuel to electricity, the analysis provided in this dissertation suggests that such a shift is unlikely to happen, because electricity is too expensive when used for thermal applications. Consequently, traders prefer to use electricity for lighting and refrigeration. Similarly, even though LPG is a cleaner and more efficient fuel than woodfuel, for example, sheep heads traders mainly used it as a supplement during the preparation and cleaning of sheep heads in order to minimise their expenditure. It goes without saying that the primary purpose of informal meat trading is to generate income, which is necessary to sustain household livelihoods, therefore minimising

expenditure on the inputs is not only desirable but essential to survival. The main inputs are meat, fuel and transport.

All the energy sources are easily obtainable from the meat market. Wood merchants deliver woodfuel at the meat market on a regular basis. LPG is also sold at the meat market. This means that the traders do not have to worry about collecting and transporting fuels – only storage and payment. None of the energy sources used are available for free, so that energy forms a significant portion of the traders' overall expenditure. In addition to the costs, the GCMM experiences frequent blackouts, which means that the current electricity supply is not dependable.

- *Stiff competition reduces incomes and threatens household livelihoods*

Securing sustainable livelihoods in the informal meat trade is difficult, because competition is very high. The provision of infrastructure requires traders to operate from a centralised environment and so competition intensifies. Informal meat traders find it difficult to sell their wares, but a majority depend on these incomes for their survival and that of their families. Their experiences are closely tied to what is going on in the formal sector. For example, loss of jobs in the formal labour market further intensifies competition in the informal sector because of the reduction in potential customers and an increase in the number of people joining the ranks of the informal sector. Because of the tight competition, some of the traders are forced to sell their stock on credit, which put a further strain on incomes as traders became responsible for daily stock and fuel purchases.

- *Distant suppliers increase transport costs and waste time*

A majority of traders buy meat outside Gugulethu. Consequently, access to a convenient and efficient means of transport is essential to reach the suppliers and to transport heavy bags of meat and live chickens. The meat traders incur transport costs on a daily basis and spend most of their time travelling between the meat market and their suppliers. They are unable to buy meat in bulk because of lack of access to collective cold storage facilities. Also, because they have not organised themselves to work as a group, they are unable to negotiate with suppliers for bulk deliveries at the market, and so the meat traders buy meat individually from different suppliers.

- *Access to cold storage would reduce the burden on transport.*

Although access to collective cold storage facilities would increase the benefits of electrification, this facility could not be provided in the meat market in the first few months

of the project. The main concern was that the use of electricity for refrigeration would increase costs and possibly affect current rent levels. Although these are legitimate fears, access to cold storage facilities is a necessity in the informal meat trade because the product itself is perishable.

- *The provision of infrastructure does not necessarily translate to higher incomes*

Generally, in return for the provision of infrastructure, traders are required to pay regular monthly rents. This is in line with the urban development strategy, which advocates a fee-for-service approach, and lower service levels where this is not possible. Debates about the monthly rates of these rents in the GCMM were based on the assumption that improvements in the physical conditions of the trading spaces will increase customer turnover and improve incomes, but this has not happened. The meat traders are therefore struggling to pay rents and a majority of them are in arrears. All these problems pose a threat to the livelihoods of the informal meat traders as well as the sustainability of the meat market. The experience in the GCMM suggests that the provision of infrastructure does not automatically translate into higher incomes for the traders. It is therefore clear that addressing the needs of the informal meat traders requires not only infrastructure provision but also a multitude of integrated strategies to contribute to sustainable household livelihoods.

6.3 Policy Implications and recommendations

- *Household energy policy needs to be re-conceptualised to focus on both domestic consumption and household production, in order to allow energy planning for income generation.*

The ultimate goal of informal sector activities, whether they are home based or street based, is to generate incomes, which are crucial for household survival. On this basis, I argue that household energy policies should take cognisance of the households' energy needs for productive activities. This requires a radical shift from the current approach to household energy planning, which tends to view households from a domestic consumption perspective. Rather than view households as consumption units, energy policymakers need to recognise the various functions that households perform and accordingly incorporate energy demand for productive uses into household energy planning. Extending the current focus to include energy demand for productive uses would facilitate the provision of appropriate energy services for both domestic consumption and income generation. After highlighting the links between energy and the informal sector, this dissertation went further

to show that it is important for energy issues to be integrated into policies and strategies aimed at supporting the informal sector. This integration is necessary in order to ensure sustainable household livelihoods.

- *Energy provision for income generation should aim to improve household livelihoods.*

Chapter Four underscored the point that the lessons learned from the accelerated household electrification programme are important when considering energy service provision for income generation. Like domestic energy consumption, energy demand within the informal sector can only be met by providing access to a variety of energy sources including woodfuel, and then allowing the users to make their own choices based on their experiences and understanding of their own circumstances and local conditions. Electricity is expensive and therefore less suitable to informal meat traders, whose main goal is basic survival.

The proposed framework for household energy planning requires an understanding of the different household energy needs, and sensitivity towards the needs and preferences of the energy users. As Gilbert (1993:6) says, understanding may not bring change, but sensible change rarely occurs without it. A new approach to energy planning will have to be user-oriented and needs-driven, and this can only happen if policy makers pay equal and/or more attention to the household sub-sector.

- *Energy issues need to be integrated throughout the planning phases of the development projects, for example, the current meat market improvements*

The discussion here shows that meat markets are clearly energy projects, and as such energy issues should form an integral part of the planning process leading to their development. Overlooking energy issues in the planning process can have detrimental effects on the viability of the activities and consequently on the incomes and livelihoods of many households. At the same time, it poses a threat to the sustainability of the meat markets, as further demands on the traders' incomes, coupled with minimal returns from the activities, are likely to force traders back to the streets.

- *Rent payments in infrastructure projects need to be negotiated with the traders and compromises are necessary for sustainability.*

Infrastructure provision per se is not sufficient to address social and economic development, but without it development cannot happen. The complaints that meat traders (and other informal sector workers) raise reflect their desires to earn higher incomes to be

able to meet their household spending requirements, while at the same time paying the required rents. None of the traders were opposed to paying rent in the meat market, but a monthly rent of R100 seemed too high for them. Since these rates were based on the assumptions that incomes will improve with the provision of infrastructure, and this did not happen, it seems that it is necessary to re-negotiate the rent payments in order to come up with more affordable rates. Without compromises, more traders will be in arrears and others will be reluctant to move to cleaner trading environments and, consequently, the concept of infrastructure provision will lose its appeal with negative consequences for the poor.

- *Working as a cooperative rather than individuals would address some of the problems experienced in the meat market, and empower the traders.*

Rather than try to cope with competition it would be advantageous for the traders to work as a co-operative and pull their resources together. Currently, the traders in the GCMM were not organised. However, if they work together as a co-operative they can be able to buy meat in bulk and use their collective strength to negotiate discounts and meat deliveries to the market. Both activities could help the traders to save money and time. Their experiences in using their networks for support, and organising themselves as small groups to get transport, can be a stepping stone to realising the potential of collective strength to reduce vulnerability.

- *Urban household energy service provision needs to pay particular attention to other energy sources, particularly LPG and woodfuels.*

I have argued that energy demand within the informal sector differs, depending on the scale and type of the enterprise. Energy service delivery should aim to encourage an optimal energy mix by taking into account local knowledge and circumstances. In contrast to current urban energy policy strategies, urban fuel cultures show distinct fuel preferences for domestic energy consumption and household production. A common pattern, however, is that low-income households are reluctant to shift to electricity because of costs associated with it or food taste. Consequently, woodfuel is central to street food vending, and is the fuel of choice for meat braaing. Yet, there is no knowledge of the current level of woodfuel supplies, sources and potential to meet future demand. Interventions are required at energy policy level to facilitate sustainable provision of woodfuels to the urban consumers. The viability of informal sector activities such as street food vending depends on the availability and affordability of energy services.

- *Energy policy needs to promote the use of LPG as an alternative energy source*

Meat traders do not use LPG to braai meat because their customers want meat to smoke on a wood fire. However, there is no serious objection to using LPG for cleaning and cooking sheep heads other than the costs, which informal meat traders find to be prohibitive. Even boiling water for chicken plucking can be done on LPG to reduce the traders dependence on woodfuel. Energy policy makers need to pay particular attention to LPG use in South Africa, particularly for income generation. Already the importance of this fuel to street food vendors can be easily observed in the city centres. Instead of leaving it to the market, the promotion of LPG as a cleaner alternative fuel requires policy intervention, especially with regards to its price.

6.4 Recommendations for further studies

Historical neglect of the informal sector means that there has been no quantitative assessment of the contribution of energy to the informal sector (Qase 2000:vi) and this still needs to be done. Examples of the studies that need to be undertaken are:

- An audit of the informal sector activities that rely on energy as an input and the types of energy sources used

- Quantification of the energy consumption in various informal sector activities

- Wood fuel resource flows in urban areas to enable forecasting and policy intervention

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Appendix

Interview schedule for traders

First interview

(All traders are Xhosa speaking so interviews were conducted in Xhosa)

1. Name:

Address:

2. Age:

3. Gender:

4. Marital status

5. Socio-economic profile of the household

Total No. of hh members = Names	Gender	Age	Relationship to respondent	Education	Occupation	Approximate income/ week/month
1.						
2						
3.						
4.						
5.						
6						
7.						
8.						

Total Number of Adult Females =

Total Number of Adult Males =

Total Number of children =

Estimated monthly household income = (But this question will not assume that this income is pooled together for the benefit of the household).

What are other sources of income other than income earning opportunities and wages of individual household members (e.g. pensions, disability grants, child support/maintenance, remittances from children)

Historical Background

6. Where do you come from?

7. Where do you live?

8. For how long have you been staying in this place?

9. Why did you choose to stay in this place?

Involvement in income generating activities

10. What income-generating activities are you involved in?

11. When did you start participating in income-generating activities?

12. How did you learn about the business of selling ?

13. How did you decide on what to sell?

14. What did you sell?

15. Where did you sell?

16. Here in the market, what do you sell?

17. For how long have you been involved in this type of activity?

18. What other activities have you engaged in, in the past?

19. Why did you change?

Transport and energy

20. How do you travel to the market each day?

21. How far is your house from the market (estimate in terms of time taken/kilometres)

22. How much do you spend per day on transport (travelling to the centre)?

23. Where do you buy meat (sheep heads, red meat, chickens?

24. How do you travel to this place?

25. How do you transport your meat/sheep heads from home/butchery to the market?

26. How much do you pay for transport?

27. Do you buy or collect wood?

28. Where do you buy or collect it?

29. If bought, how much does it cost?

30. (Respondent to also give an estimate of the quantity bought)

31. If purchased and delivered, how much do you pay for transport?

32. What is the relationship between you and the person who supplies you with wood?

33. Does he or she supply you alone or others as well?

34. How much wood do you buy at a time?

35. How long does it last?

36. If collected, where is it collected?

37. How do you get there?

38. How long does it take you? (Total amount of time spent on wood collection).

39. Where do you buy LPG?

40. How much does a cylinder cost (using observation, specify the size of the cylinder)

41. How long does it last?

42. How do you transport it to the market?

43. How much do you pay for transport?

44. Is this means of transport reliable?

45. If you had a choice of transport, what would you choose?

46. If you had a choice, what energy source would you prefer?

47. What difference has access to electricity made to your enterprise?

Second interview

About the market

48. How did you hear about the market?

49. If respondent was involved in the old open space market and also in the process of upgrading ask, (probe) - How was the decision to formalise the market taken?

50. Who was involved?

51. What were the debates over the project?

52. Were there any conflicts?

53. Did different traders have different opinions about the project?

54. Will you please describe the process of formalising the market in your own words

55. How did you feel about this process (recall the different stages as mentioned by the respondent, and check his or her feelings at each stage with the respondent)

56. Did men and women participate together in these decisions?

57. Do you feel that there was sufficient participation from both men and women in the process of formalising the market?

58. Were you happy with the process?

59. How is this market different from the previous arrangement or organisation? (Rents, customer flow, electricity impact, relationship with neighbouring community, space etc?)

60. Who had access to space in the informal market?

61. Were there any people excluded, how was this enforced?

62. Do you think excluding certain people from the market was right/fair?

63. Who has access to space in the formal market?

64. Who is excluded and how is this enforced?

65. Do you think this is right and fair?

66. How did you feel about the change from informal trading to formal trading?

Business operation

67. Which days do you sell here?

68. Do you sell seven days a week? If not, why not? (To establish if there any social or cultural norms observed, market related responses, individual value for leisure, time committed to other activities etc)

69. Is there any member of your family who assists you in this business? (directly or indirectly)

70. How do they assist – directly by selling on some days/certain times, buying e.g. sheep heads from the supplier or purchasing energy sources used, helping to set up the stall in the morning or packing in the evening?)

    - Indirectly by helping with other responsibilities at home

71. What do they get in return? (e.g. claims to the income or any other reciprocal exchanges)

72. What time do you get here?

73. What else do you do before you get here – (household chores, going to the market to buy stock, bank to deposit money, buy or collect wood?)

74. What time do you leave the market each day?

75. Why do you leave at this particular time? (i.e. to establish if there are other responsibilities to be performed by each respondent after work and also, if there are

other pressures such as safety especially for women that motivates them to leave at certain times of the day)

76. What happens to the income?

77. Do you save the money that you make from selling? (chickens, sheep heads, sheep intestines, braai meat)

78. How do you save it? (Bank, savings club, rotating savings club?)

79. How much money do you make per week/day?

80. When your sales have done well, how much money do you make?

81. How much do you make on bad days? Is this related to any specific periods for example, mid-month?

82. What is the money earned from this activity used for

- Daily consumption? (travelling, groceries etc)
- Family expenses e.g. building house, school fees, clothing
- Re-investment in business

83. What is the income from other sources used for?

84. Who decides on how money is spent/allocated to different tasks?

85. What are the most important things that you spend most of your money on? (Spending priorities).

86. How much money do you pay for rent in the market?

Relationship with customers

87. Do you have regular customers?

88. Do you allow people to buy on credit?

89. If yes, what criteria do you use to give people credit?

90. If they do not pay, what do you do?

91. How do you find competition at Centre?

92. What strategies do you use to manage it? (low prices, credits, fresh products, cleanliness)

Concluding questions: checking perceptions

93. What do you feel are the most important benefits of operating from this centre?

94. What are the needs of your enterprise that have not been met by this Centre? (Having a sheltered space with services?)

95. How do you think these needs could be addressed?

96. What could have been done differently to meet your needs/expectations?